

SERFF Tracking Number: ARKS-125440764 State: Arkansas
First Filing Company: 10855 - CYPRESS INSURANCE COMPANY, ... State Tracking Number: #194350 \$50
Company Tracking Number: AR-CF-022208-BHHC-F1
TOI: 01.0 Property Sub-TOI: 01.0001 Commercial Property (Fire and Allied Lines)
Product Name: Property
Project Name/Number: /

Filing at a Glance

Companies: 10855 - CYPRESS INSURANCE COMPANY, 20044 - CORNHUSKER CASUALTY COMPANY

Product Name: Property SERFF Tr Num: ARKS-125440764 State: Arkansas
TOI: 01.0 Property SERFF Status: Closed State Tr Num: #194350 \$50
Sub-TOI: 01.0001 Commercial Property (Fire and Allied Lines) Co Tr Num: AR-CF-022208-BHHC-F1 State Status: Fees verified and received
Filing Type: Form Co Status: Reviewer(s): Betty Montesi, Llyweyia Rawlins, Brittany Yielding
Author: Disposition Date: 02/01/2008
Date Submitted: 01/18/2008 Disposition Status: Approved
Effective Date Requested (New): 02/22/2008 Effective Date (New): 02/22/2008
Effective Date Requested (Renewal): Effective Date (Renewal):
State Filing Description:

General Information

Project Name: Status of Filing in Domicile:
Project Number: Domicile Status Comments: forms: 3
Reference Organization: Reference Number:
Reference Title: Advisory Org. Circular:
Filing Status Changed: 02/01/2008
State Status Changed: 02/01/2008 Deemer Date:
Corresponding Filing Tracking Number:
Filing Description:

Company and Contact

Filing Contact Information

NA NA, NA@NA.com
NA (123) 555-4567 [Phone]

SERFF Tracking Number: ARKS-125440764 State: Arkansas
First Filing Company: 10855 - CYPRESS INSURANCE COMPANY, ... State Tracking Number: #194350 \$50
Company Tracking Number: AR-CF-022208-BHHC-FI
TOI: 01.0 Property Sub-TOI: 01.0001 Commercial Property (Fire and Allied Lines)
Product Name: Property
Project Name/Number: /

NA, AR 00000

Filing Company Information

10855 - CYPRESS INSURANCE COMPANY CoCode: 10855 State of Domicile: Arkansas
No Address Group Code: Company Type:
City, AR 99999 Group Name: State ID Number:
(999) 999-9999 ext. [Phone] FEIN Number: 99-9999999

20044 - CORNHUSKER CASUALTY CoCode: 20044 State of Domicile: Arkansas
COMPANY
No Address Group Code: Company Type:
City, AR 99999 Group Name: State ID Number:
(999) 999-9999 ext. [Phone] FEIN Number: 99-9999999

<i>SERFF Tracking Number:</i>	<i>ARKS-125440764</i>	<i>State:</i>	<i>Arkansas</i>
<i>First Filing Company:</i>	<i>10855 - CYPRESS INSURANCE COMPANY, ...</i>	<i>State Tracking Number:</i>	<i>#194350 \$50</i>
<i>Company Tracking Number:</i>	<i>AR-CF-022208-BHHC-F1</i>		
<i>TOI:</i>	<i>01.0 Property</i>	<i>Sub-TOI:</i>	<i>01.0001 Commercial Property (Fire and Allied Lines)</i>
<i>Product Name:</i>	<i>Property</i>		
<i>Project Name/Number:</i>	<i>/</i>		

Filing Fees

Fee Required?	No
Retaliatory?	No
Fee Explanation:	
Per Company:	No

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Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Approved	Llyweyia Rawlins	02/01/2008	02/01/2008

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Disposition

Disposition Date: 02/01/2008
Effective Date (New): 02/22/2008
Effective Date (Renewal):
Status: Approved
Comment:

Rate data does NOT apply to filing.

Overall Rate Information for Multiple Company Filings

Overall Percentage Rate Indicated For This Filing	0.000%
Overall Percentage Rate Impact For This Filing	0.000%
Effect of Rate Filing-Written Premium Change For This Program	\$0
Effect of Rate Filing - Number of Policyholders Affected	0

SERFF Tracking Number: *ARKS-125440764* *State:* *Arkansas*
First Filing Company: *10855 - CYPRESS INSURANCE COMPANY, ...* *State Tracking Number:* *#194350 \$50*
Company Tracking Number: *AR-CF-022208-BHHC-F1*
TOI: *01.0 Property* *Sub-TOI:* *01.0001 Commercial Property (Fire and Allied Lines)*

Product Name: *Property*
Project Name/Number: */*

Item Type	Item Name	Item Status	Public Access
Supporting Document	Uniform Transmittal Document-Property & Casualty	Approved	Yes
Supporting Document	ARKS-125440764		No

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<i>First Filing Company:</i>	<i>10855 - CYPRESS INSURANCE COMPANY, ...</i>	<i>State Tracking Number:</i>	<i>#194350 \$50</i>
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<i>TOI:</i>	<i>01.0 Property</i>	<i>Sub-TOI:</i>	<i>01.0001 Commercial Property (Fire and Allied Lines)</i>
<i>Product Name:</i>	<i>Property</i>		
<i>Project Name/Number:</i>	<i>/</i>		

Rate Information

Rate data does NOT apply to filing.

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Supporting Document Schedules

Review Status:

Satisfied -Name: ARKS-125440764 02/01/2008

Comments:

Attachments:

ARKS-125440764 1.pdf

ARKS-125440764 2.pdf

ARKS-125440764 3.pdf

Property & Casualty Transmittal Document

1. Reserved for Insurance Dept. Use Only Approved until withdrawn or revoked FEB 01 2008 Arkansas Insurance Department By: <i>[Signature]</i>

2. Insurance Department Use only	
a. Date the filing is received:	
b. Analyst:	
c. Disposition: <i>CHK#194350</i>	
d. Date of disposition of the filing:	
e. Effective date of filing: <i>\$50</i>	
New Business	
Renewal Business	
f. State Filing #: <i>ARKS-125440764</i>	
g. SERFF Filing #:	
h. Subject Codes	

3. Group Name	Group NAIC #
Berkshire Hathaway Homestate Companies	0031

4. Company Name(s)	Domicile	NAIC #	FEIN #	State #
Cornhusker Casualty Company	NE	20044	47-0529945	
Cypress Insurance Company	CA	10855	95-6042929	

RECEIVED

JAN 18 2008

PROPERTY AND CASUALTY DIVISION
ARKANSAS INSURANCE DEPARTMENT

5. Company Tracking Number	AR-CF-022208-BHHC-F1
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Contact Info of Filer(s) or Corporate Officer(s) [include toll-free number]

6. Name and address	Title	Telephone #s	FAX #	e-mail
Diane Pokorny 9290 W. Dodge Road Ste. 300 Omaha, NE 68114	Regulatory Analyst	800-488-2930	402-393-7619	dpokorny@bh-hc.com
7. Signature of authorized filer		<i>Diane M. Pokorny</i>		
8. Please print name of authorized filer		Diane M. Pokorny		

Filing information (see General Instructions for descriptions of these fields)

9. Type of Insurance (TOI)	01.2
10. Sub-Type of Insurance (Sub-TOI)	01.20001
11. State Specific Product code(s)(if applicable)(See State Specific Requirements)	
12. Company Program Title (Marketing title)	Commercial Property
13. Filing Type FU	<input type="checkbox"/> Rate/Loss Cost <input type="checkbox"/> Rules <input type="checkbox"/> Rates/Rules <input checked="" type="checkbox"/> Forms <input type="checkbox"/> Combination Rates/Rules/Forms <input type="checkbox"/> Withdrawal <input type="checkbox"/> Other (give description)
14. Effective Date(s) Requested	New: 02/22/2008 Renewal:

Property & Casualty Transmittal Document---

15.	Reference Filing?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
16.	Reference Organization (if applicable)	
17.	Reference Organization # & Title	
18.	Company's Date of Filing	01/15/2008
19.	Status of filing in domicile	<input type="checkbox"/> Not Filed <input checked="" type="checkbox"/> Pending <input type="checkbox"/> Authorized <input type="checkbox"/> Disapproved

20.	This filing transmittal is part of Company Tracking #	AR-CF-022208-BHHC-F1
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21.	Filing Description [This area can be used in lieu of a cover letter or filing memorandum and is free-form text]
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Property Extensions (CPM 0002 01 08) replaces (CPM 0002 12 01)

The above form is optional and modifies insurance provided under the Building and Personal Property Coverage Form, Causes of Loss – Special Form, Business Income (With Extra Expense) Coverage Form, and Business Income (Without Extra Expense) Coverage Form. A side-by-side comparison is attached.

Property Plus Extension (CPM 0018 08 07) replaces (CPM 0018 10 02)

The above form is optional and modifies insurance provided under the Building and Personal Property Coverage Form, Causes of Loss – Special Form, and Business Or Rental Income Business Income Coverage Form. A side-by-side comparison is attached.

Business or Rental Income (And Extra Expense) Coverage Form (CPM 2030 01 08)

The above form is optional and provides coverage for Business or Rental Income and extra expense. This is a new form.

22.	Filing Fees (Filer must provide check # and fee amount if applicable) [If a state requires you to show how you calculated your filing fees, place that calculation below]
<p>Check #: 0000194350 Amount: 50.00</p> <p>Refer to each state's checklist for additional state specific requirements or instructions on calculating fees.</p>	

***Refer to each state's checklist for additional state specific requirements (i.e. # of additional copies required, other state specific forms, etc.)

FORM FILING SCHEDULE

(This form must be provided ONLY when making a filing that includes forms)

(Do not refer to the body of the filing for the forms listing, unless allowed by state.)

1.	This filing transmittal is part of Company Tracking #		AR-CF-022208-BHHC-F1		
2.	This filing corresponds to rate/rule filing number (Company tracking number of rate/rule filing, if applicable)				
3.	Form Name /Description/Synopsis	Form # Include edition date	Replacement Or withdrawn?	If replacement, give form # it replaces	Previous state filing number, if required by state
01	Property Extensions	CPM 0002 02 08	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	CPM 0002 12 01	
02	Property Plus Extensions	CPM 0018 08 07	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	CPM 0018 10 02	
03	Business or Rental Income (And Extra Expense) Coverage Form	CPM 2030 01 08	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
04			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
05			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
06			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
07			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
08			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
09			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
10			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		



Berkshire Hathaway Homestate Companies

Redwood Fire and Casualty Insurance Company
Cornhusker Casualty Company
Brookwood Insurance Company

Continental Divide Insurance Company
Oak River Insurance Company
Cypress Insurance Company

January 15, 2008

Honorable Julie Benafield Bowman
Commissioner of Insurance
Arkansas Department of Insurance
1200 West Third Street
Little Rock, Arkansas 72201-1904

Subject: Cornhusker Casualty Company and Cypress Insurance Company
Form Filing
Commercial Property Endorsements
NAIC #: 031-20044, 031-10855
Company Filing #: AR-CF-022208-BHHHC-F1
Effective Date: February 22, 2008

RECEIVED
JAN 18 2008
PROPERTY AND CASUALTY DIVISION
ARKANSAS INSURANCE DEPARTMENT

Dear Commissioner Bowman:

Cornhusker Casualty Company and Cypress Insurance Company hereby propose to file three optional endorsements for Commercial Property coverages in Arkansas. We hereby propose the following effective date rule:

"The endorsements apply to policies effective on or after February 22, 2008."

If we do not receive approval by February 22, 2008, an amended effective date will be selected upon approval.

The Companies have been granted authority to transact insurance in Arkansas. As an ISO subscriber, we have given ISO authority to file on our behalf. The endorsements in this filing are in regards to Commercial Property coverage and are intended to supplement any forms and endorsements already in place. If you have any questions, please call me at (800) 488-2930. We have attached an extra copy of this filing, together with a postage prepaid and self-addressed return envelope. Upon approval, please file, stamp, and return the extra copy to complete our records.

Sincerely,

Diane M. Pokorny
Regulatory Analyst
dpokorny@bh-hc.com

EXPLANATORY MEMORANDUM

(AR-CF-022208-BHHC-F1)

Cornhusker Casualty Company and Cypress Insurance Company hereby propose to file three optional endorsements for Commercial Property coverages in Arkansas. This filing represents an independent program of the companies.

Effective Date

We hereby propose the following effective date rule:

“The endorsements apply to policies effective on or after February 22, 2008.”

If we do not receive approval by February 22, 2008, an amended effective date will be selected upon approval.

Property Extensions (CPM 0002 04 08) replaces (CPM 0002 12 01)

The above form is optional and modifies insurance provided under the Building and Personal Property Coverage Form, Causes of Loss – Special Form, Business Income (With Extra Expense) Coverage Form, and Business Income (Without Extra Expense) Coverage Form. A side-by-side comparison is attached.

Property Plus Extension (CPM 0018 08 07) replaces (CPM 0018 10 02)

The above form is optional and modifies insurance provided under the Building and Personal Property Coverage Form, Causes of Loss – Special Form, and Business Or Rental Income Business Income Coverage Form. A side-by-side comparison is attached.

Business or Rental Income (And Extra Expense) Coverage Form (CPM 2030 01 08)

The above form is optional and provides coverage for Business or Rental Income and extra expense. This is a new form.

As an ISO subscriber, we have given ISO authority to file forms on our behalf. Since this filing is intended to supplement any ISO or company program already in place, we will use the endorsements in this filing together with the approved ISO forms.

Person to Contact

If there are questions about this filing or any of its attachments, please call Diane Pokorny at (800) 488-2930. A duplicate copy of this filing is enclosed, along with a postage prepaid and self-addressed return envelope. Upon approval, please file, stamp, and return the extra copy to complete our records.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PROPERTY EXTENSIONS

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM
CAUSES OF LOSS - SPECIAL FORM
BUSINESS INCOME (WITH EXTRA EXPENSE) COVERAGE FORM
BUSINESS INCOME (WITHOUT EXTRA EXPENSE) COVERAGE FORM

I. The following modifications are made to the Building and Personal Property Coverage Form, CP 00 10.

A. The following are added to Paragraph 4. Additional Coverages of SECTION A. COVERAGE:

f. Arson Reward

When fire by arson damages Covered Property, we will pay up to a \$5,000 reward to any person or persons who provide information leading to an arson conviction. This Limit of Insurance applies per occurrence regardless of the number of persons providing information or the number of persons convicted. If more than one person provides such information, the \$5,000 reward shall be split among the qualifying persons.

No deductible applies to this Additional Coverage.

g. Lock Replacement

We will pay your expense to repair or replace the exterior or interior door locks of Covered Property if it is necessary because:

- (1) Your keys were stolen in a covered theft loss; or
- (2) Your property was damaged and your keys were stolen by the burglars.

The most we will pay in any one occurrence for this Additional Coverage is \$500.

No deductible applies to this Additional Coverage.

h. Fire Extinguisher Recharge

We will pay the expense you incur to recharge any Underwriters Laboratories (UL) listed hand-held or portable fire extinguisher, or any UL listed fixed fire extinguishing system using carbon dioxide or dry chemical agents. The discharge must have occurred:

- (1) In fighting a fire threatening covered property during the policy period; or
- (2) As the result of a Covered Cause of Loss.

The expense we will pay include only the following:

- (1) Reasonable shipping expense incurred, but only if incurred for the purpose of having the extinguisher(s) recharged; or
- (2) The amount actually charged by the fire extinguisher service company for recharging the extinguisher or replacing fusible links.

However, we will not pay more than:

- (1) \$50 per hand-held or portable fire extinguisher;
- (2) \$150 per fixed extinguishing system;
- (3) \$500 per occurrence, regardless of the number of extinguishers or extinguishing systems recharged.

No deductible applies to this Additional Coverage.

- B. Paragraph 5.b. Personal Effects and Property of Others of SECTION A. COVERAGE is replaced by the following:

b. Personal Effects and Property of Others

The insurance that applies to Your Business Personal Property is extended to apply to:

- (1) Personal effects owned by you, your officers, your partners or members, your managers or your employees. This extension does not apply to loss or damage by theft.
- (2) Personal property of others in your care, custody or control,

The most we will pay for loss or damage for paragraphs (1) and (2) under this Extension is \$25,000 at each described premises, but not more than \$2,500 to any one person in any one loss. This is subject to the deductible applicable in this endorsement. Our payment for loss of or damage to personal property of others will only be for the account of the owner of the property.

- (3) Damages you are legally liable to pay because of loss or destruction of or damage to property belonging to your guests or located in guest rooms while not in your care, custody or control

The most we will pay for loss or damage for paragraph (3) under this Extension is \$25,000 at each described premises, but not more than \$1,000 to any one person in any one loss. This is subject to the deductible applicable in this endorsement.

- C. Paragraph 5.c. Valuable Papers and Records - Cost of Research of SECTION A. COVERAGE provides coverage of \$2,500. We will pay at each described premises up to an additional \$22,500 subject to the deductible applicable to this endorsement.
- D. Paragraph 5.d. Property Off-Premises of SECTION A. COVERAGE provides coverage of \$10,000. We will pay up to an additional \$5,000 for loss or damage subject to the deductible applicable in this endorsement.
- E. Paragraph 5.e. Outdoor Property of SECTION A. COVERAGE provides coverage of \$1,000 for loss or damage to trees, shrubs or plants, but no more than \$250 for any one tree, shrub or plant. We will

pay up to \$5,000 for loss or damage to trees, shrubs or plants, but no more than \$500 for any one tree, shrub or plant. This extension is subject to the deductible applicable in this endorsement.

- F. The following extensions are added to Paragraph 5. Coverage Extensions of SECTION A. COVERAGE:

g. Money and Securities

- (1) We will pay for loss of money and securities used in your business while at a bank savings institution, at the described premises or in transit between any of these places, resulting directly from:

- (a) Theft, meaning any act of stealing;
- (b) Disappearance; or
- (c) Destruction.

- (2) In addition to the Limitations and Exclusions applicable to personal property coverage, we will not pay for loss:

- (a) Resulting from accounting or arithmetical errors or omissions;
- (b) Due to the giving or surrendering of property in any exchange or purchase; or
- (c) Of property contained in any money-oriented device unless the amount of money deposited in it is recorded by a continuous recording instrument in the device.

- (3) The most we will pay for loss in any one occurrence is:

- (a) \$10,000 Inside the Premises for money and securities while:
 - (i) In or on the described premises; or
 - (ii) Within a bank or savings institution; and
- (b) \$10,000 Outside the Premises for money and securities while anywhere else.

(4) We will not pay for loss of money and securities in any one occurrence until the amount of loss exceeds the deductible applicable in this endorsement.

(5) All loss:

(a) Caused by one or more persons; or

(b) Involving a single act or series of related acts;

is considered one occurrence.

(6) You must keep records of all money and securities so we can verify the amount of any loss or damage.

(7) In the event of loss or damage we will determine the values as follows:

(a) Money at its face value; and

(b) Securities at their face value at the close of business on the day the loss is discovered.

h. Property of Others Off-Premises

This insurance applies to damage arising from your negligence which results in direct physical loss to property of others in your care, custody or control away from the described premises. This insurance also applies to damage resulting in direct physical loss to property of others on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing "operations", provided the damage arises out of negligence in the performance of such "operations". This extension of coverage is subject to the following:

(1) The most we will pay for loss or damage under this extension of coverage is a maximum of \$1,000 for any one occurrence and \$10,000 in the aggregate;

(2) This coverage extension does not apply to reimbursement for your labor costs to restore, repair or replace the damaged property;

(3) Reimbursement for the cost of all parts and materials used to restore, repair or replace the damaged property shall be made at your cost;

(4) This coverage extension shall only apply to the extent of your legal liability to the owner of the damaged property ; and

(5) This coverage extension does not apply to damage to your work or to your product.

Our payment for loss or damage property of others will only be for the account of the owner of the property. We may pay any part or all of your deductible amount to effect settlement of any claim and, upon notification of the action taken, you shall promptly reimburse us for such part of the deductible which has been paid by us.

We will not pay for loss of property of others in your care, custody or control off premises in any one occurrence until the amount of loss exceeds a \$250 deductible.

i. Employee Dishonesty

(1) We will pay for direct loss of or damage to Business Personal Property and "money" and "securities" resulting from dishonest acts committed by any of your employees acting alone or in collusion with other persons (except you or your partner) with the manifest intent to:

(a) Cause you to sustain loss or damage; and also

(b) Obtain financial benefit (other than salaries, commissions, fees, bonuses, promotions, awards, profit sharing, pensions, or other employee benefits earned in the normal course of employment) for:

(i) Any employee; or

(ii) Any other person or organization.

(2) We will not pay for loss or damage:

(a) Resulting from any dishonest or criminal act that you or any of your partners commit whether acting alone or in collusion with other persons.

(b) The only proof of which as to its existence or amounts is:

- (i) An inventory computation;
or
 - (ii) A profit and loss
computation.
- (3) The most we will pay for loss or damage in any one occurrence is \$10,000.
- (4) All loss or damage:
- (a) Caused by one or more persons; or
 - (b) Involving a single act or series of related acts;
- is considered one occurrence.
- (5) We will pay only for loss or damage you sustain through acts committed or events occurring during the Policy Period. Regardless of the number of years this policy remains in force or the number of premiums paid, no Limit of Insurance cumulates from year to year or period to period.
- (6) This coverage extension does not apply to any employee immediately upon discovery by:
- (a) You; or
 - (b) Any of your partners, officers, or directors not in collusion with the employee;
- of any dishonest act committed by that employee before or after being hired by you.
- (7) We will pay only for covered loss or damage discovered no later than one year from the end of the Policy Period.
- (8) If you sustained loss or damage during the period of any prior insurance that you could have recovered under that insurance except that the time within which to discover loss or damage had expired, we will pay for it under this coverage extension, provided:
- (a) This coverage extension became effective at the time of cancellation or

termination of the prior insurance; and

- (b) The loss or damage would have been covered by this coverage extension had it been in effect when the acts or events causing the loss or damage were committed or occurred.
- (9) The insurance under paragraph (8) above is part of, not in addition to, the Limit of Insurance applying to this coverage extension and is limited to the lesser of the amount recoverable under:
- (a) This coverage extension as of its effective date; or
 - (b) The prior insurance had it remained in effect.

j. Extra Expense

- (1) We will pay any necessary Extra Expense you incur during the "period of restoration" incurred as a result of direct physical loss or damage to property at the described premises. The loss or damage must be caused by or result from a Covered Cause of Loss. With respect to loss of or damage to personal property in the open (or in a vehicle) the described premises include the area within 100 feet of the site at which the described premises are located.
- a. Extra Expense means expense incurred:
- 1. To avoid or minimize the "suspension" of business and to continue operations:
 - (a) At the described premises; or
 - (b) At replacement premises or at temporary locations, including relocation expenses, and costs to temporarily equip and operate the replacement or temporary locations during the "period of restoration", not to exceed

12 consecutive months
after the date of direct
physical loss or damage.

2. To minimize the "suspension" of
business if you cannot continue
"operations".

3. To:

(a) Repair or replace any
property; or

(b) Research, replace or restore
the lost information on
damaged valuable papers and
records;

to the extent it reduces the amount
of loss that otherwise would have
been payable under this Additional
Coverage.

- b. The most we will pay for this coverage is
\$25,000. We will only pay for Extra
Expense that occurs within 12
consecutive months after the date of
direct physical loss or damage.

- c. With respect to the requirements set
forth above in paragraphs 1. and 2., if
you occupy only part of the site at which
the described premises are located, your
premises means:

1. The portion of the building which
you rent, lease or occupy; and

2. Any area within the building or on the
site at which the described premises
are located, if the area services, or is
used to gain access to, the described
premises.

G. Special Coverages

The following Special Coverages are added to the
Building and Personal Property Coverage Form.
These Special Coverages are subject to all of the
terms, conditions, exclusions and deductibles
applicable to this policy, except where otherwise
provided herein. Each of these Special Coverages
is additional insurance. The Coinsurance
condition does not apply to these Special
Coverages.

1. Accounts Receivable

- a. We will pay for losses that result from
Covered Causes of Loss to your records
of accounts receivable as described
below:

(1) All amounts due from your
customers that you are unable to
collect as a consequence of the
Covered Cause of Loss;

(2) Interest charges on any loan
required to offset amounts you are
unable to collect pending our
payment of these amounts;

(3) Collection expenses in excess of
your normal collection expenses
that are made necessary by the
"loss"; and

(4) Other reasonable expenses that you
incur to re-establish your records of
accounts receivable.

- b. The most we will pay in any one
occurrence for this Special Coverage is
\$25,000.

2. Ordinance or Law Coverage

- a. If a Covered Cause of Loss occurs to
covered building property, we will pay:

(1) The increased cost to repair,
rebuild or construct the property
caused by enforcement of building,
zoning or land use ordinance or
law. If the property is repaired or
rebuilt, it must be intended for
similar occupancy to the current
property, unless otherwise required
by zoning or land use ordinance or
law; and

(2) The cost to demolish and clear the
site of undamaged parts of the
property caused by enforcement of
the building, zoning or land use
ordinance or law;

provided that the ordinance or law is in
force at the time of the loss.

- b. For this Special Coverage, we will pay
the lesser of:

- (1) 25% of actual cash value of the covered building property or 25% of replacement value of the covered building property whichever is applicable; or
- (2) 25% of the applicable limit of insurance for the covered building property; or
- (3) Up to \$25,000 under part a.(1) above and up to \$25,000 under part a.(2) above.

c. We will not pay under this endorsement for:

- (1) The costs associated with the enforcement of any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to or assess the effects of "pollutants".
- (2) The increased costs associated with the enforcement of any ordinance or law regulating air or water quality or air, water or land pollution.

d. We will not pay for increased construction costs under this endorsement:

- (1) Until the property is actually repaired or replaced, at the same premises or elsewhere; and
- (2) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage, not to exceed 2 years. We may extend this period in writing during the 2 years.

e. Exclusion B.1.a. of the Causes of Loss - Special Form does not apply to this coverage.

3. Temperature-Humidity Changes

a. We will pay for loss of or damage to "stock" at the premises described in the Declarations caused by or resulting from:

- (1) mechanical or electrical breakdown of heating, cooling or humidity

control equipment which is owned or used by you; or

- (2) a power failure beyond your control which causes a change in temperature or humidity.

b. We will not pay for any loss or damage if you fail to use reasonable care to maintain all heating, cooling or humidity control equipment in proper operating condition.

c. The most we will pay for loss or damage in any one occurrence is \$5,000.

d. Exclusions B.1.e. and B.2.d.(7) of the Causes of Loss - Special Form do not apply to this special coverage.

4. Electronic Data Processing Equipment Coverage

a. We will pay for loss or damage to your Electronic Data Processing Equipment and Electronic Data Processing Media which you own, lease, or rent from others or for which you are legally responsible.

b. We will pay for loss or damage resulting from or caused by:

- (1) Short circuit, blowout or other electrical damage or disturbance (except interruption of power supply, power surge, blackout or brown-out if the cause of such occurrence took place more than 100 feet from the insureds location as shown in the policy).

- (2) Electrical or magnetic injury, disturbance, or erasure of electrical recordings except if damage occurs outside the insureds location or if there is a change in the insured's electrical power supply, such as interruption, power surge or brownout, which originates more than 100 feet from the insureds location as shown in the policy.

c. The most we will pay for loss to hardware in any one occurrence is \$25,000. The most we will pay for loss to software in any one occurrence is \$5,000.

d. We will not pay for loss or damage resulting from:

(1) Loss to property loaned, leased or rented to others while away from the premises listed in the Declarations.

(2) Data or media which cannot be replaced with others of the same kind and quality.

(3) Accounts, bills, evidences of debt, valuable papers, records, abstracts, deeds, manuscripts or other documents. But we will cover such property when it is converted to data form and then only in that form.

(4) Error or omission in machine programming or incorrect instruction to a machine.

e. Exclusions B.2.a. and B.2.d.(6) of the Causes of Loss - Special Form do not apply to this special coverage.

f. "Electronic Data Processing Equipment" means data processing systems, component parts and related peripheral equipment including air conditioning and fire protection equipment used solely for data processing operations. Electronic Data Processing Equipment does not include electronic systems that control production machinery nor the production machinery itself.

g. "Electronic Data Processing Media" means punch cards, tapes, discs, drums, cells or other magnetic recording or storage devices, including the information recorded on the media. It also includes the original source material used to enter data and/or programs.

5. Awnings, Canopies, Pumps and Lights

a. We will pay for loss or damage that results from a Covered Cause of Loss to awnings, canopies, pumps and lights unattached to buildings at the premises described in the Declarations.

b. The most we will pay for loss or damage in any one occurrence under this Special Coverage is \$25,000.

6. Contamination of Petroleum Products

a. We will pay for loss or damage that results from contamination by surface water of petroleum products stored in storage tanks at the premises described in the Declarations.

b. The most we will pay for loss or damage in any one occurrence under this Special Coverage is \$5,000.

7. Food Contamination

We will pay:

a. Your cost to clean your equipment per local Board of Health requirements;

b. Your cost to replace consumable goods declared contaminated by the local Board of Health;

c. Necessary medical tests and vaccines for affected employees as required by the Board of Health or other governmental body; and

d. Reimbursement you paid to infected patrons for doctor's care, hospitalization and necessary blood work.

H. SECTION C. LIMITS OF INSURANCE: We will pay up to \$10,000 in aggregate for outdoor signs attached and unattached to buildings at the described premises, subject to the deductible applicable in this endorsement.

II. The following modifications are made to the Causes of Loss - Special Form, CP 10 30:

A. The following is added to SECTION E. ADDITIONAL COVERAGE EXTENSIONS:

4. **Sewer Back Up.** We will pay for the loss or damage caused by or resulting from water that backs up from a sewer or drain. We will not pay for the cost to repair any defect of a sewer or drain system from which water backs up. The most we will pay is \$2,500 during the policy period, subject to a \$2,500 limit in any one occurrence. This amount is subject to the deductible applicable in this endorsement.

B. Item E. Additional Coverage Extensions,
paragraph 1.c. Property In Transit is amended as follows:

- c. The most we will pay for loss or damage under this Extension is \$10,000. This extension does not apply, however, to contractor's tools and equipment.

III. The following provisions are applicable to all coverage modifications made by this endorsement unless a modification expressly states otherwise.

A. Excess Insurance

The extended coverage provided by this endorsement is excess over any other valid and collectible insurance.

B. Deductible

One deductible of \$500 applies to all coverage extensions on this endorsement unless specifically indicated otherwise on this endorsement.

We will not pay for loss or damage in any one occurrence until the amount of loss exceeds \$500. We will then pay the amount of loss in excess of the deductible up to the limit stated in that particular coverage extension.

This \$500 deductible is in addition to the deductible shown in the Declarations. This deductible will not be used to satisfy the requirements of the deductible shown in the Declarations.

If one occurrence causes losses covered by more than one of the coverage extensions under this endorsement, only one deductible will apply to the coverage extensions under this endorsement. The deductible that will apply is the highest deductible under any one of the coverage extensions, with a maximum deductible of \$1,000.

C. Additional Definitions

The following definition is applicable for purposes of this endorsement only.

- 1. "Communicable disease" is defined as bacterial microorganism transmitted through human contact to food.
- 2. "Food contamination" means the occurrence of food poisoning or suspected food poisoning of one or more of your patrons, including food contamination resulting from tainted food

purchased by you or "communicable disease" transmitted by one or more of your employees.

3. "Money" means:

- a. Currency, coins, and bank notes in current use and having a face value; and
- b. Travelers checks, register checks, and money orders held for sale to the public.

4. "Period of Restoration" means the period of time that:

- a. Begins with the date of direct physical loss or damage caused by or resulting from any Covered Cause of Loss at the described premises; and
- b. Ends on the date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality.

"Period of Restoration" does not include any increased period required due to the enforcement of any ordinance or law that:

- (1) Regulates the construction, use or repair, or requires the tearing down of any property; or
- (2) Requires an insured or others to test for, monitor, clean up, remove, contain, treat, detoxify, or neutralize, or in any way respond to, or assess the effects of "pollutants".

The expiration date of this policy will not cut short the "period of restoration".

5. "Operations" means your business activities occurring at any location scheduled in the Declarations.

6. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

7. "Stock" means merchandise held in storage or for sale, raw materials and in-process or finished goods, including supplies used in their packing or shipping.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PROPERTY EXTENSIONS

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM
CAUSES OF LOSS - SPECIAL FORM
BUSINESS INCOME (WITH EXTRA EXPENSE) COVERAGE FORM
BUSINESS INCOME (WITHOUT EXTRA EXPENSE) COVERAGE FORM

I. The following modifications are made to the Building and Personal Property Coverage Form, CP 00 10.

A. The following are added to Paragraph 4. Additional Coverages of SECTION A. COVERAGE:

f. Arson Reward

When fire by arson damages Covered Property, we will pay up to a \$5,000 reward to any person or persons who provide information leading to an arson conviction. This Limit of Insurance applies per occurrence regardless of the number of persons providing information or the number of persons convicted. If more than one person provides such information, the \$5,000 reward shall be split among the qualifying persons.

No deductible applies to this Additional Coverage.

g. Lock Replacement

We will pay your expense to repair or replace the exterior or interior door locks of Covered Property if it is necessary because:

- (1) Your keys were stolen in a covered theft loss; or
- (2) Your property was damaged and your keys were stolen by the burglars.

The most we will pay in any one occurrence for this Additional Coverage is \$500.

No deductible applies to this Additional Coverage.

h. Fire Extinguisher Recharge

We will pay the expense you incur to recharge any Underwriters Laboratories (UL) listed hand-held or portable fire extinguisher, or any UL listed fixed fire extinguishing system using carbon dioxide or dry chemical agents. The discharge must have occurred:

- (1) In fighting a fire threatening covered property during the policy period; or
- (2) As the result of a Covered Cause of Loss.

The expense we will pay include only the following:

- (1) Reasonable shipping expense incurred, but only if incurred for the purpose of having the extinguisher(s) recharged; or
- (2) The amount actually charged by the fire extinguisher service company for recharging the extinguisher or replacing fusible links.

However, we will not pay more than:

- (1) \$50 per hand-held or portable fire extinguisher;
- (2) \$150 per fixed extinguishing system;
- (3) \$500 per occurrence, regardless of the number of extinguishers or extinguishing systems recharged.

No deductible applies to this Additional Coverage.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PROPERTY EXTENSIONS

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM
CAUSES OF LOSS - SPECIAL FORM
BUSINESS INCOME (WITH EXTRA EXPENSE) COVERAGE FORM
BUSINESS INCOME (WITHOUT EXTRA EXPENSE) COVERAGE FORM

I. The following modifications are made to the Building and Personal Property Coverage Form, CP 00 10.

A. The following are added to Paragraph 4. Additional Coverages of SECTION A. COVERAGE:

f. Arson Reward

When fire by arson damages Covered Property, we will pay up to a \$5,000 reward to any person or persons who provide information leading to an arson conviction. This Limit of Insurance applies per occurrence regardless of the number of persons providing information or the number of persons convicted. If more than one person provides such information, the \$5,000 reward shall be split among the qualifying persons.

No deductible applies to this Additional Coverage.

g. Lock Replacement

We will pay your expense to repair or replace the exterior or interior door locks of Covered Property if it is necessary because:

- (1) Your keys were stolen in a covered theft loss; or
- (2) Your property was damaged and your keys were stolen by the burglars.

The most we will pay in any one occurrence for this Additional Coverage is \$500.

No deductible applies to this Additional Coverage.

h. Fire Extinguisher Recharge

We will pay the expense you incur to recharge any Underwriters Laboratories (UL) listed hand-held or portable fire extinguisher, or any UL listed fixed fire extinguishing system using carbon dioxide or dry chemical agents. The discharge must have occurred:

- (1) In fighting a fire threatening covered property during the policy period; or
- (2) As the result of a Covered Cause of Loss.

The expense we will pay include only the following:

- (1) Reasonable shipping expense incurred, but only if incurred for the purpose of having the extinguisher(s) recharged; or
- (2) The amount actually charged by the fire extinguisher service company for recharging the extinguisher or replacing fusible links.

However, we will not pay more than:

- (1) \$50 per hand-held or portable fire extinguisher;
- (2) \$150 per fixed extinguishing system;
- (3) \$500 per occurrence, regardless of the number of extinguishers or extinguishing systems recharged.

No deductible applies to this Additional Coverage.

B. Paragraph 5.b. Personal Effects and Property of Others of SECTION A. COVERAGE is replaced by the following:

b. Personal Effects and Property of Others

The insurance that applies to Your Business Personal Property is extended to apply to:

- (1) Personal effects owned by you, your officers, your partners or members, your managers or your employees. This extension does not apply to loss or damage by theft.

- (2) Personal property of others in your care, custody or control.

The most we will pay for loss or damage for paragraphs (1) and (2) under this Extension is \$25,000 at each described premises, but not more than \$2,500 to any one person in any one loss. This is subject to the deductible applicable in this endorsement. Our payment for loss of or damage to personal property of others will only be for the account of the owner of the property.

- (3) Damages you are legally liable to pay because of loss or destruction of or damage to property belonging to your guests or located in guest rooms while not in your care, custody or control

The most we will pay for loss or damage for paragraph (3) under this Extension is \$25,000 at each described premises, but not more than \$1,000 to any one person in any one loss. This is subject to the deductible applicable in this endorsement.

C. Paragraph 5.c. Valuable Papers and Records - Cost of Research of SECTION A. COVERAGE provides coverage of \$2,500. We will pay at each described premises up to an additional \$22,500 subject to the deductible applicable to this endorsement.

D. Paragraph 5.d. Property Off-Premises of SECTION A. COVERAGE provides coverage of \$10,000. We will pay up to an additional \$5,000 for loss or damage subject to the deductible applicable in this endorsement.

E. Paragraph 5.e. Outdoor Property of SECTION A. COVERAGE provides coverage of \$1,000 for loss or damage ~~under the Extension and \$250 for any~~

~~one tree, shrub or plant. We will pay up to an additional \$250 for any one tree, shrub or plant. We will pay up to an additional \$4,000 for loss or damage under this Extension including trees, shrubs or plants to trees, shrubs or plants, but not more than \$250 for any one tree, shrub or plant. We will pay up to \$5,000 for loss or damage to trees, shrubs or plants, but not more than \$500 for any one tree, shrub or plant. This extension is subject to the deductible applicable in this endorsement.~~

F. The following extensions are added to Paragraph 5. Coverage Extensions of SECTION A. COVERAGE:

g. Money and Securities

- (1) We will pay for loss of money and securities used in your business while at a bank savings institution, at the described premises or in transit between any of these places, resulting directly from:

- (a) Theft, meaning any act of stealing;
- (b) Disappearance; or
- (c) Destruction.

- (2) In addition to the Limitations and Exclusions applicable to personal property coverage, we will not pay for loss:

- (a) Resulting from accounting or arithmetical errors or omissions;
- (b) Due to the giving or surrendering of property in any exchange or purchase; or
- (c) Of property contained in any money-oriented device unless the amount of money deposited in it is recorded by a continuous recording instrument in the device.

- (3) The most we will pay for loss in any one occurrence is:

- (a) ~~\$5,000~~ \$10,000 Inside the Premises for money and securities while:
 - (i) In or on the described premises; or

B. Paragraph 5.b. Personal Effects and Property of Others of SECTION A. COVERAGE is replaced by the following:

b. Personal Effects and Property of Others

The insurance that applies to Your Business Personal Property is extended to apply to:

- (1) Personal effects owned by you, your officers, your partners or members, your managers or your employees. This extension does not apply to loss or damage by theft.

- (2) Personal property of others in your care, custody or control.

The most we will pay for loss or damage for paragraphs (1) and (2) under this Extension is \$25,000 at each described premises, but not more than \$2,500 to any one person in any one loss. This is subject to the deductible applicable in this endorsement. Our payment for loss of or damage to personal property of others will only be for the account of the owner of the property.

- (3) Damages you are legally liable to pay because of loss or destruction of or damage to property belonging to your guests or located in guest rooms while not in your care, custody or control

The most we will pay for loss or damage for paragraph (3) under this Extension is \$25,000 at each described premises, but not more than \$1,000 to any one person in any one loss. This is subject to the deductible applicable in this endorsement.

C. Paragraph 5.c. Valuable Papers and Records - Cost of Research of SECTION A. COVERAGE provides coverage of \$2,500. We will pay at each described premises up to an additional \$22,500 subject to the deductible applicable to this endorsement.

D. Paragraph 5.d. Property Off-Premises of SECTION A. COVERAGE provides coverage of \$10,000. We will pay up to an additional \$5,000 for loss or damage subject to the deductible applicable in this endorsement.

E. Paragraph 5.e. Outdoor Property of SECTION A. COVERAGE provides coverage of \$1,000 for loss or damage to trees, shrubs or plants, but not more than \$250 for any one tree, shrub or plant. We will

pay up to \$5,000 for loss or damage in trees, shrubs or plants, but not more than \$500 for any one tree, shrub or plant. This extension is subject to the deductible applicable in this endorsement.

F. The following extensions are added to Paragraph 5. Coverage Extensions of SECTION A. COVERAGE:

g. Money and Securities

- (1) We will pay for loss of money and securities used in your business while at a bank savings institution, at the described premises or in transit between any of these places, resulting directly from:

- (a) Theft, meaning any act of stealing;
- (b) Disappearance; or
- (c) Destruction.

- (2) In addition to the Limitations and Exclusions applicable to personal property coverage, we will not pay for loss:

- (a) Resulting from accounting or arithmetical errors or omissions;
- (b) Due to the giving or surrendering of property in any exchange or purchase; or
- (c) Of property contained in any money-oriented device unless the amount of money deposited in it is recorded by a continuous recording instrument in the device.

- (3) The most we will pay for loss in any one occurrence is:

- (a) \$10,000 Inside the Premises for money and securities while:
 - (i) In or on the described premises; or
 - (ii) Within a bank or savings institution; and
- (b) \$10,000 Outside the Premises for money and securities while anywhere else.

(ii) Within a bank or savings institution; and

(b) ~~[\$5,000]~~ 10,000 Outside the Premises for money and securities while anywhere else.

(4) We will not pay for loss of money and securities in any one occurrence until the amount of loss exceeds the deductible applicable in this endorsement.

(5) All loss:

(a) Caused by one or more persons; or

(b) Involving a single act or series of related acts;

is considered one occurrence.

(6) You must keep records of all money and securities so we can verify the amount of any loss or damage.

(7) In the event of loss or damage we will determine the values as follows:

(a) Money at its face value; and

(b) Securities at their face value at the close of business on the day the loss is discovered.

h. Property of Others Off-Premises

This insurance applies to damage arising from your negligence which results in direct physical loss to property of others in your care, custody or control away from the described premises. This insurance also applies to damage resulting in direct physical loss to property of others on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing "operations", provided the damage arises out of negligence in the performance of such "operations". This extension of coverage is subject to the following:

(1) The most we will pay for loss or damage under this extension of coverage is a maximum of \$1,000 for any one occurrence and \$10,000 in the aggregate;

(2) This coverage extension does not apply to reimbursement for your labor costs to restore, repair or replace the damaged property;

(3) Reimbursement for the cost of all parts and materials used to restore, repair or replace the damaged property shall be made at your cost;

(4) This coverage extension shall only apply to the extent of your legal liability to the owner of the damaged property; and

(5) This coverage extension does not apply to damage to your work or to your product.

Our payment for loss or damage property of others will only be for the account of the owner of the property. We may pay any part or all of your deductible amount to effect settlement of any claim and, upon notification of the action taken, you shall promptly reimburse us for such part of the deductible which has been paid by us.

We will not pay for loss of property of others in your care, custody or control off premises in any one occurrence until the amount of loss exceeds a \$250 deductible.

i. Employee Dishonesty

(1) We will pay for direct loss of or damage to Business Personal Property and "money" and "securities" resulting from dishonest acts committed by any of your employees acting alone or in collusion with other persons (except you or your partner) with the manifest intent to:

(a) Cause you to sustain loss or damage; and also

(b) Obtain financial benefit (other than salaries, commissions, fees, bonuses, promotions, awards, profit sharing, pensions, or other employee benefits earned in the normal course of employment) for:

(i) Any employee; or

(ii) Any other person or organization.

(4) We will not pay for loss of money and securities in any one occurrence until the amount of loss exceeds the deductible applicable in this endorsement.

(5) All loss:

(a) Caused by one or more persons; or

(b) Involving a single act or series of related acts;

is considered one occurrence.

(6) You must keep records of all money and securities so we can verify the amount of any loss or damage.

(7) In the event of loss or damage we will determine the values as follows:

(a) Money at its face value; and

(b) Securities at their face value at the close of business on the day the loss is discovered.

h. Property of Others Off-Premises

This insurance applies to damage arising from your negligence which results in direct physical loss to property of others in your care, custody or control away from the described premises. This insurance also applies to damage resulting in direct physical loss to property of others on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing "operations", provided the damage arises out of negligence in the performance of such "operations". This extension of coverage is subject to the following:

(1) The most we will pay for loss or damage under this extension of coverage is a maximum of \$1,000 for any one occurrence and \$10,000 in the aggregate;

(2) This coverage extension does not apply to reimbursement for your labor costs to restore, repair or replace the damaged property;

(3) Reimbursement for the cost of all parts and materials used to restore, repair or replace the damaged property shall be made at your cost;

(4) This coverage extension shall only apply to the extent of your legal liability to the owner of the damaged property; and

(5) This coverage extension does not apply to damage to your work or to your product.

Our payment for loss or damage property of others will only be for the account of the owner of the property. We may pay any part or all of your deductible amount to effect settlement of any claim and, upon notification of the action taken, you shall promptly reimburse us for such part of the deductible which has been paid by us.

We will not pay for loss of property of others in your care, custody or control off premises in any one occurrence until the amount of loss exceeds a \$250 deductible.

i. Employee Dishonesty

(1) We will pay for direct loss of or damage to Business Personal Property and "money" and "securities" resulting from dishonest acts committed by any of your employees acting alone or in collusion with other persons (except you or your partner) with the manifest intent to:

(a) Cause you to sustain loss or damage; and also

(b) Obtain financial benefit (other than salaries, commissions, fees, bonuses, promotions, awards, profit sharing, pensions, or other employee benefits earned in the normal course of employment) for:

(i) Any employee; or

(ii) Any other person or organization.

(2) We will not pay for loss or damage:

(a) Resulting from any dishonest or criminal act that you or any of your partners commit whether acting alone or in collusion with other persons.

(b) The only proof of which as to its existence or amounts is:

- (2) We will not pay for loss or damage:
- (a) Resulting from any dishonest or criminal act that you or any of your partners commit, whether acting alone or in collusion with other persons.
- (b) The only proof of which as to its existence or amounts is:
- (i) An inventory computation; or
- (ii) A profit and loss computation.
- (3) The most we will pay for loss or damage in any one occurrence is \$10,000.
- (4) All loss or damage:
- (a) Caused by one or more persons; or
- (b) Involving a single act or series of related acts;
- is considered one occurrence.
- (5) We will pay only for loss or damage you sustain through acts committed or events occurring during the Policy Period. Regardless of the number of years this policy remains in force or the number of premiums paid, no Limit of Insurance accumulates from year to year or period to period.
- (6) This coverage extension does not apply to any employee immediately upon discovery by:
- (a) You; or
- (b) Any of your partners, officers, or directors not in collusion with the employee;
- of any dishonest act committed by that employee before or after being hired by you.
- (7) We will pay only for covered loss or damage discovered no later than one year from the end of the Policy Period.

- (8) If you sustained loss or damage during the period of any prior insurance that you could have recovered under that insurance except that the time within which to discover loss or damage had expired, we will pay for it under this coverage extension, provided:
- (a) This coverage extension became effective at the time of cancellation or termination of the prior insurance; and
- (b) The loss or damage would have been covered by this coverage extension had it been in effect when the acts or events causing the loss or damage were committed or occurred.
- (9) The insurance under paragraph (8) above is not of, and in addition to, the Limit of Insurance applying to this coverage extension and is limited to the lesser of the amount recoverable under:
- (a) This coverage extension as of its effective date; or
- (b) The prior insurance had it remained in effect.
- j. Extra Expense
- (1) We will pay any necessary Extra Expense you incur during the "period of restoration" incurred as a result of direct physical loss or damage to property at the described premises. The loss or damage must be caused by or result from a Covered Cause of Loss. With respect to loss of or damage to personal property in the open (or in a vehicle) the described premises include the area within 100 feet of the site at which the described premises are located.
- a. Extra Expense means expense incurred:

- (i) An inventory computation; or
- (ii) A profit and loss computation.
- (3) The most we will pay for loss or damage in any one occurrence is \$10,000.
- (4) All loss or damage:
- (a) Caused by one or more persons; or
- (b) Involving a single act or series of related acts;
- is considered one occurrence.
- (5) We will pay only for loss or damage you sustain through acts committed or events occurring during the Policy Period. Regardless of the number of years this policy remains in force or the number of premiums paid, no Limit of Insurance accumulates from year to year or period to period.
- (6) This coverage extension does not apply to any employee immediately upon discovery by:
- (a) You; or
- (b) Any of your partners, officers, or directors not in collusion with the employee;
- of any dishonest act committed by that employee before or after being hired by you.
- (7) We will pay only for covered loss or damage discovered no later than one year from the end of the Policy Period.
- (8) If you sustained loss or damage during the period of any prior insurance that you could have recovered under that insurance except that the time within which to discover loss or damage had expired, we will pay for it under this coverage extension, provided:
- (a) This coverage extension became effective at the time of cancellation or

- termination of the prior insurance; and
- (b) The loss or damage would have been covered by this coverage extension had it been in effect when the acts or events causing the loss or damage were committed or occurred.
- (9) The insurance under paragraph (8) above is part of, not in addition to, the Limit of Insurance applying to this coverage extension and is limited to the lesser of the amount recoverable under:
- (a) This coverage extension as of its effective date; or
- (b) The prior insurance had it remained in effect.
- j. Extra Expense
- (1) We will pay any necessary Extra Expense you incur during the "period of restoration" incurred as a result of direct physical loss or damage to property at the described premises. The loss or damage must be caused by or result from a Covered Cause of Loss. With respect to loss of or damage to personal property in the open (or in a vehicle) the described premises include the area within 100 feet of the site at which the described premises are located.
- a. Extra Expense means expense incurred:
1. To avoid or minimize the "suspension" of business and to continue operations:
- (a) At the described premises; or
- (b) At replacement premises or at temporary locations, including relocation expenses, and costs to temporarily equip and operate the replacement or temporary locations during the "period of restoration", not to exceed

1. To avoid or minimize the "suspension" of business and to continue operations;

(a) At the described premises, or

(b) At replacement premises or at temporary locations, including relocation expenses, and costs to temporarily equip and operate the replacement or temporary locations during the "period of restoration", not to exceed 12 consecutive months after the date of direct physical loss or damage.

2. To minimize the "suspension" of business if you cannot continue "operations".

3. To:

(a) Repair or replace any property; or

(b) Research, replace or restore the lost information on damaged valuable papers and records;

to the extent it reduces the amount of loss that otherwise would have been payable under this Additional Coverage.

b. The most we will pay for this coverage is \$25,000. We will only pay for Extra Expense that occurs within 12 consecutive months after the date of direct physical loss or damage.

c. With respect to the requirements set forth above in paragraphs 1. and 2., if you occupy only part of the site at which the described premises are located, your premises means:

1. The portion of the building which you rent, lease or occupy; and

2. Any area within the building or on the site at which the described premises are located, if the area services, or is

used to gain access to the described premises.

G. Special Coverages

The following Special Coverages are added to the Building and Personal Property Coverage Form. These Special Coverages are subject to all of the terms, conditions, exclusions and deductibles applicable to this policy, except where otherwise provided herein. Each of these Special Coverages is additional insurance. The Coinsurance condition does not apply to these Special Coverages.

1. Accounts Receivable

a. We will pay for losses that result from Covered Causes of Loss to your records of accounts receivable as described below:

(1) All amounts due from your customers that you are unable to collect as a consequence of the Covered Cause of Loss;

(2) Interest charges on any loan required to offset amounts you are unable to collect pending our payment of these amounts;

(3) Collection expenses in excess of your normal collection expenses that are made necessary by the "loss"; and

(4) Other reasonable expenses that you incur to re-establish your records of accounts receivable.

b. The most we will pay in any one occurrence for this Special Coverage is \$25,000.

2. Ordinance or Law Coverage

a. If a Covered Cause of Loss occurs to covered building property, we will pay:

(1) The increased cost to repair, rebuild or construct the property caused by enforcement of building, zoning or land use ordinance or law. If the property is repaired or

12 consecutive months after the date of direct physical loss or damage.

2. To minimize the "suspension" of business if you cannot continue "operations".

3. To:

(a) Repair or replace any property; or

(b) Research, replace or restore the lost information on damaged valuable papers and records;

to the extent it reduces the amount of loss that otherwise would have been payable under this Additional Coverage.

b. The most we will pay for this coverage is \$25,000. We will only pay for Extra Expense that occurs within 12 consecutive months after the date of direct physical loss or damage.

c. With respect to the requirements set forth above in paragraphs 1. and 2., if you occupy only part of the site at which the described premises are located, your premises means:

1. The portion of the building which you rent, lease or occupy; and

2. Any area within the building or on the site at which the described premises are located, if the area services, or is used to gain access to, the described premises.

G. Special Coverages

The following Special Coverages are added to the Building and Personal Property Coverage Form. These Special Coverages are subject to all of the terms, conditions, exclusions and deductibles applicable to this policy, except where otherwise provided herein. Each of these Special Coverages is additional insurance. The Coinsurance condition does not apply to these Special Coverages.

1. Accounts Receivable

a. We will pay for losses that result from Covered Causes of Loss to your records of accounts receivable as described below:

(1) All amounts due from your customers that you are unable to collect as a consequence of the Covered Cause of Loss;

(2) Interest charges on any loan required to offset amounts you are unable to collect pending our payment of these amounts;

(3) Collection expenses in excess of your normal collection expenses that are made necessary by the "loss"; and

(4) Other reasonable expenses that you incur to re-establish your records of accounts receivable.

b. The most we will pay in any one occurrence for this Special Coverage is \$25,000.

2. Ordinance or Law Coverage

a. If a Covered Cause of Loss occurs to covered building property, we will pay:

(1) The increased cost to repair, rebuild or construct the property caused by enforcement of building, zoning or land use ordinance or law. If the property is repaired or rebuilt, it must be intended for similar occupancy to the current property, unless otherwise required by zoning or land use ordinance or law; and

(2) The cost to demolish and clear the site of undamaged parts of the property caused by enforcement of the building, zoning or land use ordinance or law;

provided that the ordinance or law is in force at the time of the loss.

b. For this Special Coverage, we will pay the lesser of:

rebuilt, it must be intended for similar occupancy to the current property, unless otherwise required by zoning or land use ordinance or law; and

- (2) The cost to demolish and clear the site of undamaged parts of the property caused by enforcement of the building, zoning or land use ordinance or law;

provided that the ordinance or law is in force at the time of the loss.

- b. For this Special Coverage, we will pay the lesser of:

- (1) 25% of actual cash value of the covered building property or 25% of replacement value of the covered building property whichever is applicable; or
- (2) 25% of the applicable limit of insurance for the covered building property; or
- (3) Up to \$25,000 under part a.(1) above and up to \$25,000 under part a.(2) above.

- c. We will not pay under this endorsement for:

- (1) The costs associated with the enforcement of any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to or assess the effects of "pollutants".

- (2) The increased costs associated with the enforcement of any ordinance or law regulating air or water quality or air, water or land pollution.

- d. We will not pay for increased construction costs under this endorsement:

- (1) Until the property is actually repaired or replaced, at the same premises of elsewhere; and

- (2) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage, not to exceed 2 years. We may extend this period in writing during the 2 years.

- e. Exclusion B.1.a. of the Causes of Loss - Special Form does not apply to this coverage.

3. Temperature-Humidity Changes

- a. We will pay for loss of or damage to "stock" at the premises described in the Declarations caused by or resulting from:

- (1) mechanical or electrical breakdown of heating, cooling or humidity control equipment which is owned or used by you; or
- (2) a power failure beyond your control which causes a change in temperature or humidity.

- b. We will not pay for any loss or damage if you fail to use reasonable care to maintain all heating, cooling or humidity control equipment in proper operating condition.

- c. The most we will pay for loss or damage in any one occurrence is \$5,000.

- d. Exclusions B.1.e. and B.2.d.(7) of the Causes of Loss - Special Form do not apply to this special coverage.

4. Electronic Data Processing Equipment Coverage

- a. We will pay for loss or damage to your Electronic Data Processing Equipment and Electronic Data Processing Media which you own, lease, or rent from others or for which you are legally responsible.

- b. We will pay for loss or damage resulting from or caused by:

- (1) Short circuit, blowout or other electrical damage or disturbance (except interruption of power supply, power surge, blackout or

- (1) 25% of actual cash value of the covered building property or 25% of replacement value of the covered building property whichever is applicable; or

- (2) 25% of the applicable limit of insurance for the covered building property; or

- (3) Up to \$25,000 under part a.(1) above and up to \$25,000 under part a.(2) above.

- c. We will not pay under this endorsement for:

- (1) The costs associated with the enforcement of any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to or assess the effects of "pollutants".

- (2) The increased costs associated with the enforcement of any ordinance or law regulating air or water quality or air, water or land pollution.

- d. We will not pay for increased construction costs under this endorsement:

- (1) Until the property is actually repaired or replaced, at the same premises of elsewhere; and

- (2) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage, not to exceed 2 years. We may extend this period in writing during the 2 years.

- e. Exclusion B.1.a. of the Causes of Loss - Special Form does not apply to this coverage.

3. Temperature-Humidity Changes

- a. We will pay for loss of or damage to "stock" at the premises described in the Declarations caused by or resulting from:

- (1) mechanical or electrical breakdown of heating, cooling or humidity

control equipment which is owned or used by you; or

- (2) a power failure beyond your control which causes a change in temperature or humidity.

- b. We will not pay for any loss or damage if you fail to use reasonable care to maintain all heating, cooling or humidity control equipment in proper operating condition.

- c. The most we will pay for loss or damage in any one occurrence is \$5,000.

- d. Exclusions B.1.e. and B.2.d.(7) of the Causes of Loss - Special Form do not apply to this special coverage.

4. Electronic Data Processing Equipment Coverage

- a. We will pay for loss or damage to your Electronic Data Processing Equipment and Electronic Data Processing Media which you own, lease, or rent from others or for which you are legally responsible.

- b. We will pay for loss or damage resulting from or caused by:

- (1) Short circuit, blowout or other electrical damage or disturbance (except interruption of power supply, power surge, blackout or brown-out if the cause of such occurrence took place more than 100 feet from the insured's location as shown in the policy).

- (2) Electrical or magnetic injury, disturbance, or erasure of electrical recordings except if damage occurs outside the insured's location or if there is a change in the insured's electrical power supply, such as interruption, power surge or brownout, which originates more than 100 feet from the insured's location as shown in the policy.

- c. The most we will pay for loss to hardware in any one occurrence is \$25,000. The most we will pay for loss to software in any one occurrence is \$5,000.

brown-out if the cause of such occurrence took place more than 100 feet from the insureds location as shown in the policy).

- (2) Electrical or magnetic injury, disturbance, or erasure of electrical recordings except if damage occurs outside the insureds location or if there is a change in the insured's electrical power supply, such as interruption, power surge or brownout, which originates more than 100 feet from the insureds location as shown in the policy.

c. The most we will pay for loss to hardware in any one occurrence is ~~\$10,000~~ \$25,000. The most we will pay for loss to software in any one occurrence is ~~\$2,500~~ \$5,000.

d. We will not pay for loss or damage resulting from:

- (1) Loss to property loaned, leased or rented to others while away from the premises listed in the Declarations.

- (2) Data or media which cannot be replaced with others of the same kind and quality.

- (3) Accounts, bills, evidences of debt, valuable papers, records, abstracts, deeds, manuscripts or other documents. But we will cover such property when it is converted to data form and then only in that form.

- (4) Error or omission in machine programming or incorrect instruction to a machine.

e. Exclusions B.2.a. and B.2.d.(6) of the Causes of Loss - Special Form do not apply to this special coverage.

f. "Electronic Data Processing Equipment" means data processing systems, component parts and related peripheral equipment including air conditioning and fire protection equipment used solely for data processing operations. Electronic Data Processing Equipment does not

include electronic systems that control production machinery nor the production machinery itself.

- g. "Electronic Data Processing Media" means punch cards, tapes, discs, drums, cells or other magnetic recording or storage devices, including the information recorded on the media. It also includes the original source material used to enter data and/or programs.

5. Awnings, Canopies, Pumps and Lights

a. We will pay for loss or damage that results from a Covered Cause of Loss to awnings, canopies, pumps, and lights unattached to buildings at the premises described in the Declarations.

b. The most we will pay for loss or damage in any one occurrence under this Special Coverage is \$25,000.

6. Contamination of Petroleum Products

a. We will pay for loss or damage that results from contamination by surface water of petroleum products stored in storage tanks at the premises described in the Declarations.

b. The most we will pay for loss or damage in any one occurrence under this Special Coverage is \$5,000.

7. Food Contamination

We will pay:

a. Your cost to clean your equipment per local Board of Health requirements;

b. Your cost to replace consumable goods declared contaminated by the local Board of Health;

c. Necessary medical tests and vaccines for affected employees as required by the Board of Health or other governmental body; and

d. Reimbursement you paid to infected patrons for doctor's care, hospitalization and necessary blood work.

d. We will not pay for loss or damage resulting from:

- (1) Loss to property loaned, leased or rented to others while away from the premises listed in the Declarations.

- (2) Data or media which cannot be replaced with others of the same kind and quality.

- (3) Accounts, bills, evidences of debt, valuable papers, records, abstracts, deeds, manuscripts or other documents. But we will cover such property when it is converted to data form and then only in that form.

- (4) Error or omission in machine programming or incorrect instruction to a machine.

e. Exclusions B.2.a. and B.2.d.(6) of the Causes of Loss - Special Form do not apply to this special coverage.

f. "Electronic Data Processing Equipment" means data processing systems, component parts and related peripheral equipment including air conditioning and fire protection equipment used solely for data processing operations. Electronic Data Processing Equipment does not include electronic systems that control production machinery nor the production machinery itself.

g. "Electronic Data Processing Media" means punch cards, tapes, discs, drums, cells or other magnetic recording or storage devices, including the information recorded on the media. It also includes the original source material used to enter data and/or programs.

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a. We will pay for loss or damage that results from a Covered Cause of Loss to awnings, canopies, pumps and lights unattached to buildings at the premises described in the Declarations.

b. The most we will pay for loss or damage in any one occurrence under this Special Coverage is \$25,000.

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a. We will pay for loss or damage that results from contamination by surface water of petroleum products stored in storage tanks at the premises described in the Declarations.

b. The most we will pay for loss or damage in any one occurrence under this Special Coverage is \$5,000.

7. Food Contamination

We will pay:

a. Your cost to clean your equipment per local Board of Health requirements;

b. Your cost to replace consumable goods declared contaminated by the local Board of Health;

c. Necessary medical tests and vaccines for affected employees as required by the Board of Health or other governmental body; and

d. Reimbursement you paid to infected patrons for doctor's care, hospitalization and necessary blood work.

II. SECTION C. LIMITS OF INSURANCE: We will pay up to \$10,000 in aggregate for outdoor signs attached and unattached to buildings at the described premises, subject to the deductible applicable in this endorsement.

II. The following modifications are made to the Causes of Loss - Special Form, CP 10 30:

A. The following is added to SECTION E. ADDITIONAL COVERAGE EXTENSIONS:

4. Sewer Back Up. We will pay for the loss or damage caused by or resulting from water that backs up from a sewer or drain. We will not pay for the cost to repair any defect of a sewer or drain system from which water backs up. The most we will pay is \$2,500 during the policy period, subject to a \$2,500 limit in any one occurrence. This amount is subject to the deductible applicable in this endorsement.

H. SECTION C. LIMITS OF INSURANCE: We will pay up to \$10,000 in aggregate for outdoor signs attached and unattached to buildings at the described premises, subject to the deductible applicable in this endorsement.

II. The following modifications are made to the Causes of Loss - Special Form CP 10 30:

A. The following is added to SECTION E. ADDITIONAL COVERAGE EXTENSIONS:

4. **Sewer Back Up.** We will pay for the loss or damage caused by or resulting from water that backs up from a sewer or drain. We will not pay for the cost to repair any defect of a sewer or drain system from which water backs up. The most we will pay is \$2,500 during the policy period, subject to a \$2,500 limit in any one occurrence. This amount is subject to the deductible applicable in this endorsement.

B. Item E. Additional Coverage Extensions, paragraph 1.c. Property In Transit is amended as follows:

- c. The most we will pay for loss or damage under this Extension is \$10,000. This extension does not apply, however, to contractor's tools and equipment.

III. The following modification is made to the Business Income (and Extra Expense) Coverage Form CP 00 30, and Business Income (without Extra Expense) Coverage Form CP 00 32:

~~The 72-hour waiting period specified in Section A, Coverage A - Additional Coverages, in Civil Authority is waived for purposes of this endorsement only.~~

IV. ~~The following~~ provisions are applicable to all coverage modifications made by this endorsement unless a modification expressly states otherwise.

A. Excess Insurance

The extended coverage provided by this endorsement is excess over any other valid and collectible insurance.

B. Deductible

One deductible of \$500 applies to all coverage extensions on this endorsement unless specifically indicated otherwise on this endorsement.

We will not pay for loss or damage in any one occurrence until the amount of loss exceeds \$500. We will then pay the amount of loss in excess of the deductible up to the limit stated in that particular coverage extension.

This \$500 deductible is in addition to the deductible shown in the Declarations. This deductible will not be used to satisfy the requirements of the deductible shown in the Declarations.

If one occurrence causes losses covered by more than one of the coverage extensions under this endorsement, only one deductible will apply to the coverage extensions under this endorsement. The deductible that will apply is the highest deductible under any one of the coverage extensions, with a maximum deductible of \$1,000.

C. Additional Definitions

The following definition is applicable for purposes of this endorsement only.

1. "Communicable disease" is defined as bacterial microorganism transmitted through human contact to food.

2. "Food contamination" means the occurrence of food poisoning or suspected food poisoning of one or more of your patrons, including food contamination resulting from tainted food purchased by you or "communicable disease" transmitted by one or more of your employees.

3. "Money" means:

a. Currency, coins, and bank notes in current use and having a face value; and

b. Travelers checks, register checks, and money orders held for sale to the public.

~~4. "Period of Restoration" means the period of time that:~~

- a. Begins with the date of direct physical loss or damage caused by or resulting from any Covered Cause of Loss at the described premises; and

B. Item E. Additional Coverage Extensions, paragraph 1.c. Property In Transit is amended as follows:

- c. The most we will pay for loss or damage under this Extension is \$10,000. This extension does not apply, however, to contractor's tools and equipment.

III. The following provisions are applicable to all coverage modifications made by this endorsement unless a modification expressly states otherwise.

A. Excess Insurance

The extended coverage provided by this endorsement is excess over any other valid and collectible insurance.

B. Deductible

One deductible of \$500 applies to all coverage extensions on this endorsement unless specifically indicated otherwise on this endorsement.

We will not pay for loss or damage in any one occurrence until the amount of loss exceeds \$500. We will then pay the amount of loss in excess of the deductible up to the limit stated in that particular coverage extension.

This \$500 deductible is in addition to the deductible shown in the Declarations. This deductible will not be used to satisfy the requirements of the deductible shown in the Declarations.

If one occurrence causes losses covered by more than one of the coverage extensions under this endorsement, only one deductible will apply to the coverage extensions under this endorsement. The deductible that will apply is the highest deductible under any one of the coverage extensions, with a maximum deductible of \$1,000.

C. Additional Definitions

The following definition is applicable for purposes of this endorsement only.

1. "Communicable disease" is defined as bacterial microorganism transmitted through human contact to food.

2. "Food contamination" means the occurrence of food poisoning or suspected food poisoning of one or more of your patrons, including food contamination resulting from tainted food

purchased by you or "communicable disease" transmitted by one or more of your employees.

3. "Money" means:

- a. Currency, coins, and bank notes in current use and having a face value; and
b. Travelers checks, register checks, and money orders held for sale to the public.

4. "Period of Restoration" means the period of time that:

- a. Begins with the date of direct physical loss or damage caused by or resulting from any Covered Cause of Loss at the described premises; and

- b. Ends on the date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality.

"Period of Restoration" does not include any increased period required due to the enforcement of any ordinance or law that:

- (1) Regulates the construction, use or repair, or requires the tearing down of any property; or
(2) Requires an insured or others to test for, monitor, clean up, remove, contain, treat, detoxify, or neutralize, or in any way respond to, or assess the effects of "pollutants".

The expiration date of this policy will not cut short the "period of restoration".

5. "Operations" means your business activities occurring at any location scheduled in the Declarations.

6. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

7. "Stock" means merchandise held in storage or for sale, raw materials and in-process or finished goods, including supplies used in their packing or shipping.

- b. Ends on the date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality.

"Period of Restoration" does not include any increased period required due to the enforcement of any ordinance or law that:

- (1) Regulates the construction, use or repair, or requires the tearing down of any property; or
- (2) Requires an insured or others to test for, monitor, clean up, remove, contain, treat, detoxify, or neutralize, or in any way respond to, or assess the effects of "pollutants".

The expiration date of this policy will not cut short the "period of restoration".

5. "Operations" means your business activities occurring at any location scheduled in the Declarations.

6. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

7. "Stock" means merchandise held in storage or for sale, raw materials and in-process or finished goods, including supplies used in their packing or shipping.

8. "Securities" means negotiable and non-negotiable instruments or contracts representing either "money" or other property and includes:

a. Tokens, tickets, revenue, and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and

b. Evidences of debt issued in connection with credit or charge cards, which cards are not issued by you;

but does not include "money".

8. "Securities" means negotiable and non-negotiable instruments or contracts representing either "money" or other property and includes:

a. Tokens, tickets, revenue, and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and

b. Evidences of debt issued in connection with credit or charge cards, which cards are not issued by you;

but does not include "money".

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PROPERTY PLUS EXTENSION

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM
CAUSES OF LOSS - SPECIAL FORM
BUSINESS OR RENTAL INCOME BUSINESS INCOME

Except as modified below, all other terms and conditions of the above-referenced policies remain unchanged.

I. The following modifications are made to the Building and Personal Property Coverage Form, CP 00 10.

A. The following are added to Paragraph 4. Additional Coverages of SECTION A. COVERAGE:

f. Arson Reward

When fire by arson damages Covered Property, we will pay up to a \$5,000 reward to any person or persons who provide information leading to an arson conviction. This Limit of Insurance applies per occurrence regardless of the number of persons providing information or the number of persons convicted. If more than one person provides such information, the \$5,000 reward shall be split among the qualifying persons.

No deductible applies to this Additional Coverage.

g. Lock Replacement

We will pay your expense to repair or replace the exterior or interior door locks of Covered Property if it is necessary because:

- (1) Your keys were stolen in a covered theft loss; or
- (2) Your property was damaged and your keys were stolen by the burglars.

The most we will pay in any one occurrence for this Additional Coverage is \$500.

No deductible applies to this Additional Coverage.

h. Fire Extinguisher Recharge

We will pay the expense you incur to recharge any Underwriters Laboratories (UL) listed hand-held or portable fire extinguisher, or any UL

listed fixed fire extinguishing system using carbon dioxide or dry chemical agents. The discharge must have occurred:

- (1) In fighting a fire threatening covered property during the policy period; or
- (2) As the result of a Covered Cause of Loss.

The expense we will pay include only the following:

- (1) Reasonable shipping expense incurred, but only if incurred for the purpose of having the extinguisher(s) recharged; or
- (2) The amount actually charged by the fire extinguisher service company for recharging the extinguisher or replacing fusible links.

However, we will not pay more than:

- (1) \$50 per hand-held or portable fire extinguisher;
- (2) \$150 per fixed extinguishing system;
- (3) \$500 per occurrence, regardless of the number of extinguishers or extinguishing systems recharged.

No deductible applies to this Additional Coverage.

B. Paragraph 5.b. Personal Effects and Property of others of SECTION A. COVERAGE is replaced by the following:

b. Personal Effects and Property of Others

The insurance that applies to Your Business Personal Property is extended to apply to:

- (1) Personal effects owned by you, your officers, your partners or members, your managers or your employees. This extension does not apply to loss or damage by theft.
- (2) Personal property of others in your care, custody or control,

The most we will pay for loss or damage for paragraphs (1) and (2) under this Extension is \$25,000 at each described premises, but not more than \$2,500 to any one person in any one loss. This is subject to the deductible applicable in this endorsement. Our payment for loss of or damage to personal property of others will only be for the account of the owner of the property.

- (3) Damages legally liable to pay because of loss or destruction of or damage to property belonging to your guests or located in guest rooms while not in your care, custody or control

The most we will pay for loss or damage for paragraph (3) under this Extension is \$25,000 at each described premises, but not more than \$1,000 to any one person in any one loss. This is subject to the deductible applicable in this endorsement.

- C. Paragraph 5.c. Valuable Papers and Records - Cost of Research of SECTION A. COVERAGE provides coverage of \$2,500. We will pay at each described premises up to an additional \$22,500 subject to the deductible applicable to this endorsement.
- D. Paragraph 5.d. Property Off-Premises of SECTION A. COVERAGE provides coverage of \$10,000. We will pay up to an additional \$5,000 for loss or damage subject to the deductible applicable in this endorsement.
- E. Paragraph 5.e. Outdoor Property of SECTION A. COVERAGE provides coverage of \$1,000 for loss or damage to trees, shrubs or plants, but no more than \$250 for any one tree, shrub or plant.

Under this Extension, we will pay up to \$5,000 for loss or damage to trees, shrubs or plants, but no more than \$500 for any one tree, shrub or plant. This extension is subject to the deductible applicable in this endorsement.

- F. The following extensions are added to Paragraph 5. Coverage Extensions of SECTION A. COVERAGE:

g. Money and Securities

- (1) We will pay for loss of "money" and "securities" used in your business while at a bank savings institution, at the described premises, or in transit between any of these places, resulting directly from:
 - (a) Theft, meaning any act of stealing;
 - (b) Disappearance; or
 - (c) Destruction.
- (2) In addition to the Limitations and Exclusions applicable to business personal property coverage, we will not pay for loss:
 - (a) Resulting from accounting or arithmetical errors or omissions;
 - (b) Due to the giving or surrendering of property in any exchange or purchase; or
 - (c) Of property contained in any money-oriented device unless the amount of money deposited in it is recorded by a continuous recording instrument in the device.
- (3) The most we will pay for loss of in any one occurrence is:
 - (a) \$10,000 inside the premises for money" and "securities" while:
 - (i) In or on the described premises; or
 - (ii) Within a bank or savings institution; and
 - (b) \$10,000 outside the premises for "money" and "securities" while anywhere else.
- (4) We will not pay for loss of "money" and "securities" in any one occurrence until the amount of loss exceeds the deductible applicable in this endorsement.

- (5) All loss:
 - (a) Caused by one or more persons; or
 - (b) Involving a single act or series of related acts;
 is considered one occurrence.
- (6) You must keep records of all "money" and "securities" so we can verify the amount of any loss or damage.
- (7) In the event of loss or damage we will determine the values as follows:
 - (a) "Money" at face value; and
 - (b) "Securities" at face value at the close of business on the day the loss is discovered.

h. Property of Others Off-Premises

This insurance applies to damage arising from your negligence which results in direct physical loss to property of others in your care, custody or control away from the described premises. This insurance also applies to damage resulting in direct physical loss to property of others on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing operations, provided the damage arises out of negligence in the performance of such operations. This extension of coverage is subject to the following:

- (1) The most we will pay for loss or damage under this extension of coverage is a maximum of \$1,000 for any one occurrence and \$10,000 in the aggregate;
- (2) This coverage extension does not apply to reimbursement for your labor costs to restore, repair or replace the damaged property;
- (3) Reimbursement for the cost of all parts and materials used to restore, repair or replace the damaged property shall be made at your cost;
- (4) This coverage extension shall only apply to the extent of your legal liability to the owner of the damaged property; and

- (5) This coverage extension does not apply to damage to your work or to your product.

Our payment for loss or damage to property of others will only be for the account of the owner of the property. We may pay any part or all of your deductible amount to effect settlement of any claim and, upon notification of the action taken, you shall promptly reimburse us for such part of the deductible which has been paid by us.

We will not pay for loss of property of others in your care, custody or control off premises in any one occurrence until the amount of loss exceeds a \$250 deductible.

i. Business or Rental Income and Extra Expense

- (1) Subject to the limit of insurance included in this extension, we will pay for the actual loss of Business or Rental Income that you sustain due to the necessary "suspension" of your "operations" during the "period of restoration". The "suspension" must be caused by direct physical loss or damage to property at the described premises. With respect to personal property in a vehicle or in the open, the described premises include the area within 100 feet of the site at which the described premises are located. The loss or damage must be caused by or result from a Covered Cause of Loss.

a. "Business Income" means the:

- 1. Net Income (Net Profit or Loss before income tax) that would have been earned or incurred, but not including any Net Income that would likely have been earned as a result of an increase in the volume of business due to unfavorable business conditions caused by the impact of the Covered Cause of Loss on customers or on other businesses; and
- 2. Continuing normal operating expenses incurred; and

3. "Ordinary Payroll Expenses". But in no event will we pay Ordinary Payroll Expenses for more than 90 days following the date of direct physical loss or damage.
- b. "Rental Income" means the:
1. Net Income (Net Profit of Loss before income taxes) that would have been earned from tenant occupancy of the premises described in the Declarations as furnished and equipped by you.
 2. Continuing normal operating expenses incurred; and
 3. "Ordinary payroll expenses." But in no event will we pay "ordinary payroll expenses" for more than 90 days following the date of direct physical loss or damage.
- c. The most we will pay for loss of Business Income is the lesser of:
1. 35% of the gross sales for the preceding twelve months of operation; or
 2. \$1,000,000.
 3. We will only pay for loss of Business Income that you sustain during the "period of restoration" and that occurs within 12 consecutive months after the date of direct physical loss or damage.
- d. The most we will pay for loss of Rental Income is the lesser of:
1. 100% of the Net Rental Income for the preceding twelve months of operation; or
 2. \$1,000,000.
 3. We will only pay for loss of Rental Income that you sustain during the "period of restoration" and that occurs within 12 consecutive months after the date of direct physical loss or damage.
- (2) We will pay any necessary Extra Expense you incur during the "period of restoration" incurred as a result of direct physical loss or damage to property at the described premises. The loss or damage must be caused by or result from a Covered Cause of Loss. With respect to loss of or damage to personal property in the open (or in a vehicle) the described premises include the area within 100 feet of the site at which the described premises are located.
- a. Extra Expense means expense incurred:
1. To avoid or minimize the "suspension" of business and to continue operations:
 - (a) At the described premises; or
 - (b) At replacement premises or at temporary locations, including relocation expenses, and costs to temporarily equip and operate the replacement or temporary locations during the "period of restoration", not to exceed 12 consecutive months after the date of direct physical loss or damage.
 2. To minimize the "suspension" of business if you cannot continue "operations".
 3. To:
 - (a) Repair or replace any property; or
 - (b) Research, replace or restore the lost information on damaged valuable papers and records;to the extent it reduces the amount of loss that otherwise would have been payable under this Additional Coverage.
- b. The most we will pay for this coverage is \$50,000. We will only pay for Extra Expense that occurs within 12 consecutive months after the date of direct physical loss or damage.

- c. With respect to the requirements set forth above in paragraphs 1. and 2., if you occupy only part of the site at which the described premises are located, your premises means:

1. The portion of the building which you rent, lease or occupy; and
2. Any area within the building or on the site at which the described premises are located, if the area services, or is used to gain access to, the described premises.

(3) Civil Authority

We will pay for the actual loss of Business or Rental Income you sustain and necessary Extra Expense caused by action of civil authority that prohibits access to the described premises due to direct physical loss of or damage to property, other than at the described premises, caused by or resulting from any Covered Cause of Loss.

The coverage for Business or Rental Income will begin at the time of that action and will apply for a period of up to three consecutive weeks after coverage begins.

The coverage for Extra Expense will begin immediately after the time of that action and will end:

- a. 3 consecutive weeks after the time of that action; or
- b. When your Business or Rental Income coverage ends;

whichever is later.

(4) Extended Business or Rental Income

- a. If the necessary suspension of your "operations" produces a Business or Rental Income Loss payable under this policy, we will pay for the actual loss of Business or Rental Income you incur during the period that:

1. Begins on the date property (except "finished stock") is actually repaired, rebuilt or replaced and "operations" resume; and
2. Ends on the earlier of:

- (a) The date you could restore your "operations", with reasonable speed, to the level which would generate the Business or Rental Income amount that would have existed if no direct physical loss or damage had occurred; or
- (b) 30 consecutive days after the date determined in a.1. above.

However, Extended Business or Rental Income does not apply to loss of Business or Rental Income incurred as a result of unfavorable business conditions caused by the impact of the Covered Cause of Loss in the area where the described premises are located.

Loss of Business or Rental Income must be caused by direct physical loss or damage at the described premises caused by or resulting from any Covered Cause of Loss.

(5) Loss Determination

- a. The amount of Business or Rental Income loss will be determined based on:

1. The net income of the business before the direct physical loss or damage occurred;
2. The likely net income of the business if no physical loss or damage had occurred, but not including any Net Income that would likely have been earned as a result of an increase in the volume of business due to favorable business conditions caused by the impact of the Covered Cause of Loss on customers or on other businesses;
3. The operating expenses, including payroll expenses, necessary to resume "operations" with the same quality of service that existed just before the direct physical loss or damage; and

4. Other relevant sources of information, including:
 - (a) Your financial records and accounting procedures;
 - (b) Bills, invoices and other vouchers; and
 - (c) Deeds, liens or contracts.
- b. The amount of Extra Expense will be determined based on:
 1. All expenses that exceed the normal operating expenses that would have been incurred by "operations" during the "period of restoration" if no direct physical loss or damage had occurred. We will deduct from the total of such expenses:
 - (a) The salvage value that remains of any property bought for temporary use during the "period of restoration" once "operations" are resumed; and
 - (b) Any Extra Expense that is paid for by other insurance, except for insurance that is written subject to the same plan, terms, conditions and provisions as this insurance; and
 2. All necessary expenses that reduce the Business or Rental Income loss that otherwise would have been incurred.

(6) Resumption of Operations

We will reduce the amount of your:

- a. Business or Rental Income loss, other than Extra Expense, to the extent you can resume your "operations", in whole or in part, by using damaged or undamaged property (including merchandise or stock) at the described premises or elsewhere.
- b. Extra Expense loss to the extent you can return "operations" to normal and discontinue such Extra Expense.

- (7) If you do not resume "operations", or do not resume "operations" as quickly as possible, we will pay based on the length of time it would have taken to resume "operations" as quickly as possible.
- (8) We will pay for loss of Business or Rental Income or Extra Expense at the described premises caused by the interruption of service to the described premises. The interruption must result from direct physical loss or damage by a Covered Cause of Loss to the property described in paragraph a. (below) if such property is indicated by an "X" in the Schedule and is located outside of a covered building described in the Declarations.

a. Utility Services

1. **Water Supply Services**, meaning the following types of property supply water to the described premises:

- (a) Pumping stations;
- (b) Water mains.

2. **Power Supply Services**, meaning the following types of property supply electricity, steam or gas to the described premises:

- (a) Utility generating plants;
- (b) Switching stations;
- (c) Substations;
- (d) Transformers; and
- (e) Transmission lines.

The most we will pay for loss of Business or Rental Income or Extra Expense caused by the interruption of services identified above is \$100,000.

- (9) The Causes of Loss – Special Form, B. Exclusions, item 4 Special Exclusions, that apply to the Extra Expense or Business or Rental Income Coverage Forms shall apply to this coverage.

j. Employee Dishonesty

- (1) We will pay for direct loss of or damage to Business Personal Property and "money" and "securities" resulting from dishonest acts committed by any of your employees acting alone or in collusion with other persons (except you or your partner) with the manifest intent to:

(a) Cause you to sustain loss or damage; and also

(b) Obtain financial benefit (other than salaries, commissions, fees, bonuses, promotions, awards, profit sharing, pensions, or other employee benefits earned in the normal course of employment) for:

(i) Any employee; or

(ii) Any other person or organization.

- (2) We will not pay for loss or damage:

(a) Resulting from any dishonest or criminal act that you or any of your partners commit whether acting alone or in collusion with other persons.

(b) The only proof of which as to its existence or amounts is:

(i) An inventory computation; or

(ii) A profit and loss computation.

- (3) The most we will pay for loss or damage in any one occurrence is \$10,000.

- (4) All loss or damage:

(a) Caused by one or more persons; or

(b) Involving a single act or series of related acts;

is considered one occurrence.

- (5) We will pay only for loss or damage you sustain through acts committed or events occurring during the Policy Period. Regardless of the number of years this policy remains in force or the number of premiums paid, no Limit of Insurance

cumulates from year to year or period to period.

- (6) This coverage extension does not apply to any employee immediately upon discovery by:

(a) You; or

(b) Any of your partners, officers, or directors not in collusion with the employee;

of any dishonest act committed by that employee before or after being hired by you.

- (7) We will pay only for covered loss or damage discovered no later than one year from the end of the Policy Period.

- (8) If you sustained loss or damage during the period of any prior insurance that you could have recovered under that insurance except that the time within which to discover loss or damage had expired, we will pay for it under this coverage extension, provided:

(a) This coverage extension became effective at the time of cancellation or termination of the prior insurance; and

(b) The loss or damage would have been covered by this coverage extension had it been in effect when the acts or events causing the loss or damage were committed or occurred.

- (9) The insurance under paragraph (8) above is part of, not in addition to, the Limit of Insurance applying to this coverage extension and is limited to the lesser of the amount recoverable under:

(a) This coverage extension as of its effective date; or

(b) The prior insurance had it remained in effect.

III. The following provisions are applicable to all coverage modifications made by this endorsement unless a modification expressly states otherwise.

A. Excess Insurance

The extended coverage provided by this endorsement is excess over any other valid and collectible insurance.

B. Deductible

One deductible of \$500 applies to all coverage extensions on this endorsement unless specifically indicated otherwise on this endorsement.

We will not pay for loss or damage in any one occurrence until the amount of loss exceeds \$500. We will then pay the amount of loss in excess of the deductible up to the limit stated in that particular coverage extension.

This \$500 deductible is in addition to the deductible shown in the Declarations. This deductible will not be used to satisfy the requirements of the deductible shown in the Declarations.

If one occurrence causes losses covered by more than one of the coverage extensions under this endorsement, only one deductible will apply to the coverage extensions under this endorsement. The deductible that will apply is the highest deductible under any one of the coverage extensions, with a maximum deductible of \$1,000.

C. Additional Definitions

The following definition is applicable for purposes of this endorsement only.

1. "Communicable disease" is defined as bacterial microorganism transmitted through human contact to food.
2. "Food contamination" means the occurrence of food poisoning or suspected food poisoning of one or more of your patrons, including food contamination resulting from tainted food purchased by you or "communicable disease" transmitted by one or more of your employees.
3. "Money" means:
 - a. Currency, coins, and bank notes in current use and having a face value; and
 - b. Travelers checks, register checks, and money orders held for sale to the public.

4. "Period of Restoration" means the period of time that:

- a. Begins with the date of direct physical loss or damage caused by or resulting from any Covered Cause of Loss at the described premises; and
- b. Ends on the date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality.

"Period of Restoration" does not include any increased period required due to the enforcement of any ordinance or law that:

- (1) Regulates the construction, use or repair, or requires the tearing down of any property; or
- (2) Requires an insured or others to test for, monitor, clean up, remove, contain, treat, detoxify, or neutralize, or in any way respond to, or assess the effects of pollutants.

The expiration date of this policy will not cut short the Period of Restoration.

5. "Operations" means your business activities occurring at any location scheduled in the Declarations.

6. "Ordinary Payroll Expenses" means payroll expenses for all your employees except:

- a. Officers;
- b. Executives;
- c. Department Managers;
- d. Employees under contract; and
- e. Additional Exemptions shown in the Declarations as:
 - (1) Job classifications; or
 - (2) Employees.

"Ordinary Payroll Expenses" include:

- a. Payroll;

*Revise wording
on appraisal clause*

BUSINESS OR RENTAL INCOME (AND EXTRA EXPENSE) COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us" and "our" refer to the Company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section G. – Definitions.

A. Coverage

We will pay for the actual loss of Business or Rental Income you sustain due to the necessary "suspension" of your "operations" during the "period of restoration". The "suspension" must be caused by direct physical loss of or damage to property at premises which are described in the Declarations and for which a Business Income Limit of Insurance is shown in the Declarations. The loss or damage must be caused by or result from a Covered Cause of Loss. With respect to loss of or damage to personal property in the open or personal property in a vehicle, the described premises include the area within 100 feet of the site at which the described premises are located.

With respect to the requirements set forth in the preceding paragraph, if you occupy only part of the site at which the described premises are located, your premises means:

- (i) The portion of the building which you rent, lease or occupy; and
- (ii) Any area within the building or on the site at which the described premises are located, if that area services, or is used to gain access to, the described premises.

1. Business Income

Business Income means the:

- a. Net Income (Net Profit or Loss before income taxes) that would have been earned or "rental value";
- b. Continuing normal operating expenses incurred; and
- c. "Ordinary payroll expenses." But in no event will we pay "ordinary payroll expenses" for more than 90 days following the date of direct physical loss or damage.

For manufacturing risks, Net Income includes the net sales value of production.

2. Rental Income

Rental Income means the:

- a. Net Income (Net Profit or Loss before income taxes) that would have been earned from tenant occupancy of the premises described in the Declarations as furnished and equipped by you.

- b. Continuing normal operating expenses incurred; and

- c. "Ordinary payroll expenses." But in no event will we pay "ordinary payroll expenses" for more than 90 days following the date of direct physical loss or damage.

3. Covered Causes Of Loss

See applicable Causes of Loss Form as shown in the Declarations.

4. Additional Coverages

a. Extra Expense

Extra Expense means necessary expenses you incur during the "period of restoration" that you would not have incurred if there had been no direct physical loss or damage to property caused by or resulting from a Covered Cause of Loss.

- (1) We will pay any Extra Expense to avoid or minimize the "suspension" of business and to continue "operations":

- (a) At the described premises; or
- (b) At replacement premises or at temporary locations, including:
 - (i) Relocation expenses; and
 - (ii) Costs to equip and operate the replacement or temporary locations.

- (2) We will pay any Extra Expense to minimize the "suspension" of business if you cannot continue "operations".

- (3) We will pay any Extra Expense to:

- (a) Repair or replace any property; or
- (b) Research, replace or restore the lost information on damaged valuable papers and records;

to the extent it reduces the amount of loss that otherwise would have been payable under this Coverage Form.

b. Civil Authority

We will pay for the actual loss of Business or Rental Income you sustain and necessary Extra Expense caused by action of civil authority that prohibits access to the described premises due to direct physical loss of or damage to property, other than at the described premises, caused by or resulting from any Covered Cause of Loss.

The coverage for Business or Rental Income will begin 72 hours after the time of that action and will apply for a period of up to three consecutive weeks after coverage begins.

The coverage for Extra Expense will begin immediately after the time of that action and will end:

- (1) 3 consecutive weeks after the time of that action; or
 - (2) When your Business or Rental Income coverage ends;
- whichever is later.

c. Alterations And New Buildings

We will pay for the actual loss of Business or Rental Income you sustain and necessary Extra Expense you incur due to direct physical loss or damage at the described premises caused by or resulting from any Covered Cause of Loss to:

- (1) New buildings or structures, whether complete or under construction;
- (2) Alterations or additions to existing buildings or structures; and
- (3) Machinery, equipment, supplies or building materials located on or within 100 feet of the described premises and:
 - (a) Used in the construction, alterations or additions; or
 - (b) Incidental to the occupancy of new buildings.

If such direct physical loss or damage delays the start of "operations", the "period of restoration" for Business or Rental Income Coverage will begin on the date "operations" would have begun if the direct physical loss or damage had not occurred.

d. Extended Business or Rental Income

If the necessary "suspension" of your "operations" produces a Business or Rental Income loss payable under this policy, we will pay for the actual loss of Business or Rental Income you incur during the period that:

- (1) Begins on the date property (except "finished stock") is actually repaired, rebuilt or replaced and "operations" are resumed; and
- (2) Ends on the earlier of:
 - (a) The date you could restore your "operations", with reasonable speed, to the level which would generate the business or rental income amount that would have existed if no direct physical loss or damage had occurred; or
 - (b) 30 consecutive days after the date determined in (1) above.

However, Extended Business or Rental Income does not apply to loss of Business or Rental Income incurred as a result of unfavorable business conditions caused by the impact of the Covered Cause of Loss in the area where the described premises are located.

Loss of Business or Rental Income must be caused by direct physical loss or damage at the described premises caused by or resulting from any Covered Cause of Loss.

4. Coverage Extension

If a Coinsurance percentage of 50% or more is shown in the Declarations, you may extend the insurance provided by this Coverage Part as follows:

Newly Acquired Locations

- a. You may extend your Business or Rental Income and Extra Expense Coverages to apply to property at any location you acquire other than fairs or exhibitions.
- b. The most we will pay under this Extension, for the sum of Business or Rental Income loss and Extra Expense incurred, is \$100,000 at each location.
- c. Insurance under this Extension for each newly acquired location will end when any of the following first occurs:
 - (1) This policy expires;
 - (2) 30 days expire after you acquire or begin to construct the property; or
 - (3) You report values to us.

We will charge you additional premium for values reported from the date you acquire the property.

This Extension is additional insurance. The Additional Condition, Coinsurance, does not apply to this Extension.

B. Exclusions And Limitations

See applicable Causes of Loss Form as shown in the Declarations.

C. Limits Of Insurance

The most we will pay for loss in any one occurrence is the applicable Limit of Insurance shown in the Declarations.

The limit applicable to the Coverage Extension is in addition to the Limit of Insurance.

Payments under the following Additional Coverages will not increase the applicable Limit of Insurance:

1. Alterations and New Buildings;
2. Civil Authority;
3. Extra Expense; or
4. Extended Business or Rental Income.

D. Loss Conditions

The following conditions apply in addition to the Common Policy Conditions and the Commercial Property Conditions.

1. Appraisal

If we and you disagree on the amount of Net Income and operating expense or the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser.

The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the amount of Net Income and operating expense or amount of loss. If they fail to agree, they will submit their differences to the umpire. No decision by the appraisers shall be binding on either party. Each party will:

- a. Pay its chosen appraiser; and
- b. Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

2. Duties In The Event Of Loss

- a. You must see that the following are done in the event of loss:
 - (1) Notify the police if a law may have been broken.
 - (2) Give us prompt notice of the direct physical loss or damage. Include a description of the property involved.

- (3) As soon as possible, give us a description of how, when, and where the direct physical loss or damage occurred.

- (4) Take all reasonable steps to protect the Covered Property from further damage, and keep a record of your expenses necessary to protect the Covered Property, for consideration in the settlement of the claim. This will not increase the Limit of Insurance. However, we will not pay for any subsequent loss or damage resulting from a cause of loss that is not a Covered Cause of Loss. Also, if feasible, set the damaged property aside and in the best possible order for examination.

- (5) As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records.

Also permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.

- (6) Send us a signed, sworn proof of loss containing the information we request to investigate the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.

- (7) Cooperate with us in the investigation or settlement of the claim.

- (8) If you intend to continue your business, you must resume all or part of your "operations" as quickly as possible.

- b. We may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed.

3. Limitation – Electronic Media And Records

We will not pay for any loss of Business or Rental Income caused by direct physical loss of or damage to Electronic Media and Records after the longer of:

- a. 60 consecutive days from the date of direct physical loss or damage; or
- b. The period, beginning with the date of direct physical loss or damage, necessary to repair, rebuild or replace, with reasonable speed and similar quality, other property at the described premises due to loss or damage caused by the same occurrence.

Electronic Media and Records are:

- (1) Electronic data processing, recording or storage media such as films, tapes, discs, drums or cells;
- (2) Data stored on such media; or
- (3) Programming records used for electronic data processing or electronically controlled equipment.

This limitation does not apply to Extra Expense.

Example No. 1:

A Covered Cause of Loss damages a computer on June 1. It takes until September 1 to replace the computer, and until October 1 to restore the data that was lost when the damage occurred. We will only pay for the Business or Rental Income loss sustained during the period June 1 – September 1. Loss during the period September 2 – October 1 is not covered.

Example No. 2:

A Covered Cause of Loss results in the loss of data processing programming records on August 1. The records are replaced on October 15. We will only pay for the Business or Rental Income loss sustained during the period August 1 – September 29 (60 consecutive days). Loss during the period September 30 – October 15 is not covered.

4. Loss Determination

- a. The amount of Business or Rental Income loss will be determined based on:
 - (1) The Net Income of the business or tenancy before the direct physical loss or damage occurred;
 - (2) The likely Net Income of the business or tenancy if no physical loss or damage had occurred, but not including any Net Income that would likely have been earned as a result of an increase in the volume of business due to favorable business conditions caused by the impact of the Covered Cause of Loss on customers or on other businesses;
 - (3) The operating expenses, including payroll expenses, necessary to resume "operations" with the same quality of service that existed just before the direct physical loss or damage; and
 - (4) Other relevant sources of information, including:
 - (a) Your financial records and accounting procedures;
 - (b) Bills, invoices and other vouchers; and
 - (c) Deeds, liens or contracts.

- b. The amount of Extra Expense will be determined based on:

- (1) All expenses that exceed the normal operating expenses that would have been incurred by "operations" during the "period of restoration" if no direct physical loss or damage had occurred. We will deduct from the total of such expenses:
 - (a) The salvage value that remains of any property bought for temporary use during the "period of restoration", once "operations" are resumed; and
 - (b) Any Extra Expense that is paid for by other insurance, except for insurance that is written subject to the same plan, terms, conditions and provisions as this insurance; and
- (2) All necessary expenses that reduce the Business or Rental Income loss that otherwise would have been incurred.

c. Resumption Of Operations

We will reduce the amount of your:

- (1) Business or Rental Income loss, other than Extra Expense, to the extent you can resume your "operations", in whole or in part, by using damaged or undamaged property (including merchandise or stock) at the described premises or elsewhere.
 - (2) Extra Expense loss to the extent you can return "operations" to normal and discontinue such Extra Expense.
- d. If you do not resume "operations", or do not resume "operations" as quickly as possible, we will pay based on the length of time it would have taken to resume "operations" as quickly as possible.

5. Loss Payment

We will pay for covered loss within 30 days after we receive the sworn proof of loss, if you have complied with all of the terms of this Coverage Part and:

- a. We have reached agreement with you on the amount of loss; or
- b. An appraisal award has been made.

E. Additional Condition

Coinsurance

If a Coinsurance percentage is shown in the Declarations, the following condition applies in addition to the Common Policy Conditions and the Commercial Property Conditions.

We will not pay the full amount of any Business or Rental Income loss if the Limit of Insurance for Business Income is less than:

- a. The Coinsurance percentage shown for Business Income in the Declarations; times
- b. The sum of:

- (1) The Net Income (Net Profit or Loss before income taxes), and
- (2) Operating expenses, including payroll expenses,

that would have been earned or incurred (had no loss occurred) by your "operations" at the described premises for the 12 months following the inception, or last previous anniversary date, of this policy (whichever is later).

Instead, we will determine the most we will pay using the following steps:

1. Multiply the Net Income and operating expense for the 12 months following the inception, or last previous anniversary date, of this policy by the Coinsurance percentage;
2. Divide the Limit of Insurance for the described premises by the figure determined in Step 1.; and
3. Multiply the total amount of loss by the figure determined in Step 2.

We will pay the amount determined in Step 3. or the limit of insurance, whichever is less. For the remainder, you will either have to rely on other insurance or absorb the loss yourself.

In determining operating expenses for the purpose of applying the Coinsurance condition, the following expenses, if applicable, shall be deducted from the total of all operating expenses:

1. Prepaid freight – outgoing;
2. Returns and allowances;
3. Discounts;
4. Bad debts;
5. Collection expenses;
6. Cost of raw stock and factory supplies consumed (including transportation charges);
7. Cost of merchandise sold (including transportation charges);
8. Cost of other supplies consumed (including transportation charges);
9. Cost of services purchased from outsiders (not employees) to resell, that do not continue under contract;
10. Power, heat and refrigeration expenses that do not continue under contract (if Form CP 15 11 is attached);
11. All ordinary payroll expenses or the amount of payroll expense excluded (if Form CP 15 10 is attached); and

12. Special deductions for mining properties (royalties unless specifically included in coverage; actual depletion commonly known as unit or cost depletion – not percentage depletion; welfare and retirement fund charges based on tonnage; hired trucks).

Example No. 1 (Underinsurance):

When: The Net Income and operating expenses for the 12 months following the inception, or last previous anniversary date, of this policy at the described premises would have been

	\$ 400,000
The Coinsurance percentage is	50%
The Limit of Insurance is	\$ 150,000
The amount of loss is	\$ 80,000
Step 1:	$\$400,000 \times 50\% = \$200,000$ (the minimum amount of insurance to meet your Coinsurance requirements)
Step 2:	$\$150,000 \div \$200,000 = .75$
Step 3:	$\$80,000 \times .75 = \$60,000$

We will pay no more than \$60,000. The remaining \$20,000 is not covered.

Example No. 2 (Adequate Insurance):

When: The Net Income and operating expenses for the 12 months following the inception, or last previous anniversary date, of this policy at the described premises would have been

	\$ 400,000
The Coinsurance percentage is	50%
The Limit of Insurance is	\$ 200,000
The amount of loss is	\$ 80,000

The minimum amount of insurance to meet your Coinsurance requirement is \$200,000 ($\$400,000 \times 50\%$). Therefore, the Limit of Insurance in this Example is adequate and no penalty applies. We will pay no more than \$80,000 (amount of loss).

This condition does not apply to the Extra Expense Additional Coverage.

F. Optional Coverages

If shown as applicable in the Declarations, the following Optional Coverages apply separately to each item.

1. Maximum Period Of Indemnity

- a. The Additional Condition, Coinsurance, does not apply to this Coverage Form at the described premises to which this Optional Coverage applies.
- b. The most we will pay for the total of Business or Rental Income loss and Extra Expense is the lesser of:
 - (1) The amount of loss sustained and expenses incurred during the 120 days immediately following the beginning of the "period of restoration"; or
 - (2) The Limit of Insurance shown in the Declarations.

2. Monthly Limit Of Indemnity

- a. The Additional Condition, Coinsurance, does not apply to this Coverage Form at the described premises to which this Optional Coverage applies.
- b. The most we will pay for loss of Business or Rental Income in each period of 30 consecutive days after the beginning of the "period of restoration" is:
 - (1) The Limit of Insurance, multiplied by
 - (2) The fraction shown in the Declarations for this Optional Coverage.

Example:

When:	The Limit of Insurance is	\$	120,000
	The fraction shown in the Declarations for this Optional Coverage is		1/4
	The most we will pay for loss in each period of 30 consecutive days is:		
	$\$120,000 \times 1/4 = \$30,000$		
	If, in this example, the actual amount of loss is:		
	Days 1-30	\$	40,000
	Days 31-60		20,000
	Days 61-90		30,000
		\$	90,000
	We will pay:		
	Days 1-30	\$	30,000
	Days 31-60		20,000
	Days 61-90		30,000
		\$	80,000

The remaining \$10,000 is not covered.

3. Business or Rental Income Agreed Value

- a. To activate this Optional Coverage:
 - (1) A Business or Rental Income Report/Work Sheet must be submitted to us and must show financial data for your "operations":
 - (a) During the 12 months prior to the date of the Work Sheet; and
 - (b) Estimated for the 12 months immediately following the inception of this Optional Coverage.
 - (2) The Declarations must indicate that the Business or Rental Income Agreed Value Optional Coverage applies, and an Agreed Value must be shown in the Declarations. The Agreed Value should be at least equal to:
 - (a) The Coinsurance percentage shown in the Declarations; multiplied by
 - (b) The amount of Net Income and operating expenses for the following 12 months you report on the Work Sheet.
- b. The Additional Condition, Coinsurance, is suspended until:
 - (1) 12 months after the effective date of this Optional Coverage; or
 - (2) The expiration date of this policy; whichever occurs first.
- c. We will reinstate the Additional Condition, Coinsurance, automatically if you do not submit a new Work Sheet and Agreed Value:
 - (1) Within 12 months of the effective date of this Optional Coverage; or
 - (2) When you request a change in your Business Income Limit of Insurance.
- d. If the Business Income Limit of Insurance is less than the Agreed Value, we will not pay more of any loss than the amount of loss multiplied by:
 - (1) The Business Income Limit of Insurance; divided by
 - (2) The Agreed Value.

Example:

When:	The Limit of Insurance is	\$	100,000
	The Agreed Value is	\$	200,000
	The amount of loss is	\$	80,000
Step (a):	$\$100,000 \div \$200,000 = .50$		
Step (b):	$.50 \times \$80,000 = \$40,000$		

We will pay \$40,000. The remaining \$40,000 is not covered.

4. Extended Period Of Indemnity

Under Paragraph A.3.d., Extended Business or Rental Income, the number "30" in Subparagraphs (1)(b) and (2)(b) is replaced by the number shown in the Declarations for this Optional Coverage.

G. Definitions

1. "Finished Stock" means stock you have manufactured.

"Finished stock" also includes whiskey and alcoholic products being aged, unless there is a Coinsurance percentage shown for Business Income in the Declarations.

"Finished stock" does not include stock you have manufactured that is held for sale on the premises of any retail outlet insured under this Coverage Part.

2. "Operations" means :
- Your business activities occurring at the described premises; and
 - The tenantability of the described premises, but only with respect to Rental Income.
3. "Ordinary payroll expenses" means payroll expenses for all your employees except:
- Officers;
 - Executives;
 - Department managers;
 - Employees under contract; and
 - Additional Exemptions, shown in the Schedule or in the Declarations as:
 - Job Classification; or
 - Employees.

"Ordinary payroll expenses" include:

- Payroll;
 - Employee benefits, if directly related to payroll;
 - FICA payments you pay;
 - Union dues you pay; and
 - Worker's compensation premiums.
4. "Period of Restoration" means the period of time that:
- Begins:
 - 72 hours after the time of direct physical loss or damage for Business or Rental Income coverage; or
 - Immediately after the time of direct physical loss or damage for Extra Expense coverage; caused by or resulting from any Covered Cause of Loss at the described premises; and
 - Ends on the earlier of:

- The date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality; or

- The date when business is resumed at a new permanent location.

"Period of restoration" does not include any increased period required due to the enforcement of any ordinance or law that:

- Regulates the construction, use or repair, or requires the tearing down of any property; or
- Requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".

The expiration date of this policy will not cut short the "period of restoration".

5. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
6. "Suspension" means the slowdown or cessation of your business activities. For purposes of Rental Income, "suspension" means that a part or all of the described premises is rendered untenable.

CORNHUSKER CASUALTY COMPANY9290 WEST DODGE ROAD, SUITE 300
OMAHA, NEBRASKA 68114-3363
(402)-393-725527-5
1040

Check Date	Check No.
01/10/2008	0000194350

PAY EXACTLY FIFTY DOLLARS & 00/100

Check Amount
\$*****50.00

TO THE ORDER OFTHE STATE INS. TRUST FUND
ARKANSAS INSURANCE DEPARTMENT
1200 WEST THIRD STREET
LITTLE ROCK, AR 72201-1904WELLS FARGO BANK
NEBRASKA, N.A.
OMAHA, NE

Missing features indicate a counterfeit. Maroon background on front. Artificial watermark on back.

⑈0000194350⑈ ⑆104000058⑆ 1150042593⑈

CORNHUSKER CASUALTY COMPANY

DETACH BEFORE DEPOSITING

AGENT

VENDOR ARINSTRST

CHECK NO 0000194350

DESCRIPTION		NET AMOUNT
01100820	01/08/08 ARKANSAS FORM FILING CPN00020108 CPN00180807 CPM20	50.00
CHECK TOTAL		50.00